**Seventy-eighth Legislature, Regular Session**

# Senate Committee Report on C.S.H.B. 1

## General Appropriations Bill

**2004 –2005 Biennium**

**State of Texas**
**2003**

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| ARTICLE I - General Government | $ 696,387,942 | $ 668,352,684 |
| ARTICLE II - Health and Human Services | 7,361,979,135 | 7,183,378,447 |
| ARTICLE III - Agencies of Education | 17,639,241,672 | 16,063,012,459 |
| ARTICLE IV - The Judiciary | 158,476,361 | 158,093,084 |
| ARTICLE V - Public Safety and Criminal Justice | 3,338,229,354 | 3,343,185,718 |
| ARTICLE VI - Natural Resources | 255,887,498 | 250,521,431 |
| ARTICLE VII - Business and Economic Development | 145,015,252 | 144,043,701 |
| ARTICLE VIII - Regulatory | 195,060,191 | 194,758,687 |
| ARTICLE IX - General Provisions | (129,451,118) | (251,456,783) |
| ARTICLE X - The Legislature | 131,510,633 | 138,755,616 |
| ARTICLE XII - Tobacco Settlement Receipts | 499,993,000 | 495,653,000 |
| GRAND TOTAL, General Revenue | $ 30,292,329,920 | $ 28,388,298,044 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| ARTICLE I - General Government | $ 212,836,408 | $ 181,662,358 |
| ARTICLE II - Health and Human Services | 356,415,766 | 355,848,126 |
| ARTICLE III - Agencies of Education | 1,239,784,704 | 1,263,369,670 |
| ARTICLE IV - The Judiciary | 13,378,690 | 13,108,206 |
| ARTICLE V - Public Safety and Criminal Justice | 42,736,817 | 40,351,639 |
| ARTICLE VI - Natural Resources | 455,150,335 | 456,560,145 |
| ARTICLE VII - Business and Economic Development | 182,874,932 | 180,816,087 |
| ARTICLE VIII - Regulatory | 48,632,409 | 48,868,491 |
| ARTICLE IX - General Provisions | (24,034,210) | (26,035,210) |
| ARTICLE X - The Legislature | 0 | 0 |
| ARTICLE XII - Tobacco Settlement Receipts | 21,375,000 | 21,375,000 |
| GRAND TOTAL, General Revenue - Dedicated | $ 2,549,150,851 | $ 2,535,924,512 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| ARTICLE I - General Government | $ 308,198,969 | $ 310,207,434 |
| ARTICLE II - Health and Human Services | 12,275,354,990 | 11,995,242,098 |
| ARTICLE III - Agencies of Education | 3,408,337,563 | 3,433,985,790 |
| ARTICLE IV - The Judiciary | 1,326 | 1,302 |
| ARTICLE V - Public Safety and Criminal Justice | 127,489,545 | 129,776,782 |
| ARTICLE VI - Natural Resources | 131,232,244 | 125,160,782 |
| ARTICLE VII - Business and Economic Development | 3,556,860,222 | 3,482,989,519 |
| ARTICLE VIII - Regulatory | 2,725,675 | 2,718,275 |
| ARTICLE IX - General Provisions | (21,256,100) | (139,099,700) |
| ARTICLE X - The Legislature | 0 | 0 |
| ARTICLE XII - Tobacco Settlement Receipts | 0 | 0 |
| GRAND TOTAL, Federal Funds | $ 19,788,944,434 | $ 19,340,982,282 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| ARTICLE I - General Government | $ 82,912,727 | $ 37,959,012 |
| ARTICLE II - Health and Human Services | 278,164,509 | 221,415,864 |
| ARTICLE III - Agencies of Education | 2,831,759,405 | 3,067,534,865 |
| ARTICLE IV - The Judiciary | 41,396,647 | 38,033,503 |
| ARTICLE V - Public Safety and Criminal Justice | 543,538,053 | 443,620,409 |
| ARTICLE VI - Natural Resources | 177,638,072 | 132,361,557 |
| ARTICLE VII - Business and Economic Development | 3,286,167,455 | 3,243,479,388 |
| ARTICLE VIII - Regulatory | 107,476,624 | 127,841,349 |
| ARTICLE IX - General Provisions | 12,218,025 | 12,218,025 |
| ARTICLE X - The Legislature | 2,088,000 | 2,103,000 |
| ARTICLE XII - Tobacco Settlement Receipts | 45,787,500 | 45,787,500 |
| GRAND TOTAL, Other Funds | $ 7,409,147,017 | $ 7,372,354,472 |

* Excludes interagency contracts

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| ARTICLE I - General Government | $ 1,300,336,046 | $ 1,198,181,488 |
| ARTICLE II - Health and Human Services | 20,271,914,400 | 19,755,884,535 |
| ARTICLE III - Agencies of Education | 25,119,123,344 | 23,827,902,784 |
| ARTICLE IV - The Judiciary | 213,253,024 | 209,236,095 |
| ARTICLE V - Public Safety and Criminal Justice | 4,051,993,769 | 3,956,934,548 |
| ARTICLE VI - Natural Resources | 1,019,908,149 | 964,603,915 |
| ARTICLE VII - Business and Economic Development | 7,170,917,861 | 7,051,328,695 |
| ARTICLE VIII - Regulatory | 353,894,899 | 374,186,802 |
| ARTICLE IX - General Provisions | (162,523,403) | (404,373,668) |
| ARTICLE X - The Legislature | 133,598,633 | 140,858,616 |
| ARTICLE XII - Tobacco Settlement Receipts | 567,155,500 | 562,815,500 |
| GRAND TOTAL, All Funds | $ 60,039,572,222 | $ 57,637,559,310 |
| Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds | 221,922.3 | 222,584.6 |

* Excludes interagency contracts

## A BILL TO BE ENTITLED
## AN ACT

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

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

## ARTICLE I

## GENERAL GOVERNMENT

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

## AIRCRAFT POOLING BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EFFICIENT AIRCRAFT TRAVEL | | |
| To provide safe, efficient aircraft transportation upon request to state officers and employees traveling on official state business. | | |
| **A.1.1. Strategy:** FLEET OPERATIONS | $ 1,272,142 | $ 1,271,568 |
| Operate a fleet of centrally scheduled aircraft to meet users' needs. | | |
| **Output (Volume):** | | |
| Number of Hours Aircraft Are Flown | 2,208 | 2,184 |
| Number of Flights | 2,004 | 1,980 |
| **B. Goal:** AIRCRAFT MAINTENANCE | | |
| To provide quality and economical maintenance, fuel and oil, hangar space, and line services for state operated aircraft. | | |
| **B.1.1. Strategy:** AIRCRAFT MAINTENANCE | $ 2,172,640 | $ 2,172,640 |
| Operate a state-of-the-art maintenance and avionics repair facility. | | |
| **Output (Volume):** | | |
| Number of Work Orders Completed | 640 | 640 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 216,286 | $ 216,286 |
| **Grand Total,** AIRCRAFT POOLING BOARD | $ 3,661,068 | $ 3,660,494 |

## AIRCRAFT POOLING BOARD
(Continued)

**Method of Financing:**

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Appropriated Receipts | $ | 2,135,830 | $ | 2,135,256 |
| Interagency Contracts | | 1,525,238 | | 1,525,238 |
| Subtotal, Other Funds | $ | 3,661,068 | $ | 3,660,494 |
| **Total, Method of Financing** | $ | 3,661,068 | $ | 3,660,494 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 39.0 | | 39.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 970,159 | $ | 0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,353,305 | $ | 1,353,305 |
| Other Personnel Costs | | 28,330 | | 28,330 |
| Operating Costs | | 970,159 | | 0 |
| Professional Fees and Services | | 10,212 | | 10,212 |
| Fuels and Lubricants | | 400,164 | | 400,164 |
| Consumable Supplies | | 19,500 | | 19,500 |
| Utilities | | 4,800 | | 4,800 |
| Travel | | 27,178 | | 27,178 |
| Rent - Building | | 1,560 | | 1,560 |
| Rent - Machine and Other | | 7,676 | | 7,676 |
| Other Operating Expense | | 1,286,488 | | 1,286,587 |
| Capital Expenditures | | 521,855 | | 521,182 |
| **Total, Object-of-Expense Informational Listing** | $ | 4,631,227 | $ | 3,660,494 |

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

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

2. **Transfer Authority.** The State Aircraft Pooling Board is hereby authorized to transfer such amounts as may be necessary between appropriation Strategies A.1.1, Fleet Operations, and

B.1.1, Aircraft Maintenance. Appropriations made in Strategy B.1.1, Aircraft Maintenance, include funding for aircraft replacement and aircraft acquisition.

3. **Revolving Fund Appropriation.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the State Aircraft Pooling Board's "Revolving Fund" to account for the expenditures, revenues and balances related to revenues from the sale of aircraft appropriated to the State Aircraft Pooling Board for the purpose of maintenance, acquisition, repair or replacement. The expenditures, revenues and balances shall be maintained separately by the State Aircraft Pooling Board within its accounting system.

4. **Master Lease Purchase of Aircraft.** Notwithstanding other provisions included in this Act, out of the amounts included above in Strategy A.1.1, Fleet Operations, the Aircraft Pooling Board may Master Lease Purchase four aircraft.

5. **Unexpended Balances: Between Biennia and Fiscal Years.** In addition to amounts appropriated above, any unexpended balances as of August 31, 2003, in Appropriated Receipts (estimated to be $970,159) made to the State Aircraft Pooling Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2003. This includes balances remaining in Strategy B.1.1, Aircraft Maintenance, in the Reserve for Overhaul Account which consists of amounts attributed to Time Between Overhaul (TBO) hours on individual aircraft engines for major maintenance, repairs and replacements. The State Aircraft Pooling Board is hereby authorized to expend these amounts as necessary in Strategies A.1.1, Fleet Operations, and B.1.1, Aircraft Maintenance.

## COMMISSION ON THE ARTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SECURE RESOURCES<br>Secure from public and private sectors the appropriate and necessary resources for the purpose of funding the Commission on the Arts and to equitably distribute such resources. | | |
| **A.1.1. Strategy:** CULTURAL ENDOWMENT FUND<br>Promote the Texas Cultural Endowment Fund to secure stabilized public and private funding. | $ 350,000 | $ 350,500 |
| **B. Goal:** ARTS EDUCATION<br>Continue to ensure that arts education is recognized and utilized as a major contributor to increase literacy and strengthen basic learning skills in Texas schools and communities. | | |
| **B.1.1. Strategy:** ARTS EDUCATION<br>Provide and support arts education opportunities. | $ 1,001,340 | $ 976,340 |
| **Efficiencies:** | | |
| Average Grant Amount Awarded for Arts Education Programs | 3,422 | 3,422 |
| **C. Goal:** ARTS ACCESS<br>Ensure that Texas citizens and visitors are aware of the value of the arts and have equitable access to quality arts programs and services. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Total Assistance Dollars Provided to Applications From Minority Organizations | 22% | 22% |
| Percentage of Total Assistance Dollars Provided to Applications From Rural and Geographically Isolated Communities | 29% | 30% |
| **C.1.1. Strategy:** DISTRIBUTE DIRECT GRANTS | $ 2,320,913 | $ 2,295,414 |

## COMMISSION ON THE ARTS
(Continued)

| | | | | & UB |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Funded Applications from Rural and Geographically Isolated Communities | | 550 | | 550 |
| Number of Funded Applications From Minority Organizations | | 300 | | 300 |
| **C.1.2. Strategy:** PROMOTION & PARTICIPATION | $ | 584,535 | $ | 584,535 |
| Improve statewide participation in arts programs, enhance the public's understanding of the arts' contribution and value, and encourage and promote cultural tourism. | | | | |
| **Output (Volume):** | | | | |
| Number of Marketing and Public Relations Activities, Conferences and Seminars Which Promote Tourism | | 75 | | 75 |
| **Total, Goal C:** ARTS ACCESS | $ | 2,905,448 | $ | 2,879,949 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 517,983 | $ | 517,983 |
| **Grand Total,** COMMISSION ON THE ARTS | $ | 4,774,771 | $ | 4,724,772 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,999,858 | $ | 1,899,858 |
| GR Dedicated - Commission on the Arts Operating Account No. 334 | | 700,000 | | 650,000 |
| Federal Funds | | 760,000 | | 760,000 |
| Other Funds | | | | |
| Appropriated Receipts | | 344,913 | | 444,914 |
| Interagency Contracts | | 970,000 | | 970,000 |
| Subtotal, Other Funds | $ | 1,314,913 | $ | 1,414,914 |
| **Total, Method of Financing** | $ | 4,774,771 | $ | 4,724,772 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 19.0 | | 19.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 790,000 | $ | 790,000 |
| Other Personnel Costs | | 27,360 | | 27,360 |
| Operating Costs | | 100,500 | | 100,500 |
| Professional Fees and Services | | 133,500 | | 133,500 |
| Consumable Supplies | | 47,600 | | 47,600 |
| Utilities | | 54,300 | | 54,300 |
| Travel | | 259,640 | | 260,140 |
| Other Operating Expense | | 468,458 | | 468,458 |
| Grants | | 2,693,413 | | 2,642,914 |
| Capital Expenditures | | 200,000 | | 200,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 4,774,771 | $ | 4,724,772 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to Master

Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

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

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

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

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

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

6. **Texas, State of the Arts License Plates.** Included in the amounts appropriated above in Strategy B.1.1, Arts Education, and C.1.1, Distribute Direct Grants are all balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2003, not to exceed $300,000 each fiscal year out of the Commission on the Arts, Operating Account No. 334 from the sale of license plates as provided by Transportation Code 502.272. Also included in the amounts appropriated above are any unexpended balances of these funds remaining as of August 31, 2003, (not to exceed $50,000) for the same strategies for the fiscal year beginning September 1, 2003. Any unexpended balances as of August 31, 2004, out of the appropriations made herein are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2004.

7. **Arts Entrepreneurial Business System.** Included in the amounts appropriated above, the Commission on the Arts is hereby authorized to collect receipts from the sale of promotional

items bearing the Agency's logo, estimated to be $1,000 in Appropriated Receipts for the biennium beginning September 1, 2003, for Strategy A.1.1, Cultural Endowment Fund, and Strategy C.1.1, Distribute Direct Grants.

## OFFICE OF THE ATTORNEY GENERAL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE LEGAL SERVICES | | |
| To provide skillful and high quality legal representation, counseling, and assistance for the State of Texas, its authorized entities and employees in the lawful performance of their duties. | | |
| **Outcome (Results/Impact):** | | |
| Delinquent State Revenue Collected | 43,000,000 | 43,000,000 |
| **A.1.1. Strategy:** LEGAL SERVICES | $ 55,345,382 | $ 55,264,707 |
| Respond to the legal counseling needs of the State of Texas, its authorized entities and employees by providing appropriate legal advice and answers to legal questions posed by clients, including the issuance of formal opinions and open records letters and decisions. Respond to the litigation needs of the State of Texas, its authorized entities and employees through the use of appropriate pre-trial and trial actions. Implement the use of alternative dispute resolution methods in legal disputes involving the state when this course of action is in the best interest of the state. Respond to the legal counseling and litigation needs of the State of Texas in the Colonias Project. | | |
| **Output (Volume):** | | |
| Legal Hours Billed to Litigation and Counseling | 845,406 | 842,176 |
| **Efficiencies:** | | |
| Average Cost Per Legal Hour | 65.47 | 65.62 |
| **B. Goal:** ENFORCE CHILD SUPPORT LAW | | |
| To enforce aggressively and fairly both state and federal child support laws and regulations. | | |
| **Outcome (Results/Impact):** | | |
| Percent of All Current Child Support Amounts Due That Are Collected | 60% | 60% |
| Percent of Title IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears | 60% | 60% |
| **B.1.1. Strategy:** CHILD SUPPORT ENFORCEMENT | $ 186,738,815 | $ 191,733,581 |
| Collect court-ordered child support through the use of the following: establish paternity; establish child support obligations; enforce child support obligations; and receive and distribute child support monies. | | |
| **Output (Volume):** | | |
| Amount of Title IV-D Child Support Collected (in Millions) | 1,409.1 | 1,494.7 |
| Number of Children for Whom Paternity Has Been Established | 49,698 | 48,913 |
| Number of Child Support Obligations Established | 44,510 | 43,807 |
| **Efficiencies:** | | |
| Ratio of Total Dollars Collected Per Dollar Spent | 7.55 | 7.8 |

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** STATE DISBURSEMENT UNIT<br>Operate a state disbursement unit that receives and disburses all IV-D child support payments and all non-IV-D child support payments made pursuant to court-ordered income withholding. | $ | 39,023,461 | $ | 36,130,613 |
| **Output (Volume):** | | | | |
| Number of Payment Receipts Processed by the SDU Vendor | | 13,724,007 | | 14,502,306 |
| **Total, Goal B:** ENFORCE CHILD SUPPORT LAW | $ | 225,762,276 | $ | 227,864,194 |
| **C. Goal:** CRIME VICTIMS' SERVICES<br>To provide services and information to victims of crime in a caring, sensitive and efficient manner. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Amount of Crime Victim Compensation Awarded | | 61,000,000 | | 65,000,000 |
| Number of Research Projects and Project Phases Completed | | 3 | | 3 |
| **C.1.1. Strategy:** CRIME VICTIM COMPENSATION<br>Obtain and review all claims for crime victims' compensation in accordance with state and federal regulations to determine eligibility for payment; ensure that all bills are reviewed for medical reasonableness and necessity and paid at the correct rate and that limits are not exceeded. | $ | 61,686,980 | $ | 65,406,901 |
| **Efficiencies:** | | | | |
| Average Number of Days to Analyze a Claim and Make an Award | | 100 | | 100 |
| **C.1.2. Strategy:** CRIME VICTIMS INSTITUTE<br>Study impact of crime on victims and survivors, their family members, and society at large; develop policies to assist the criminal justice and juvenile justice systems in preventing criminal victimization; evaluate the effectiveness of criminal justice and juvenile justice policies, programs and services related to crime victims and their family members; recommend changes for improving crime victim services in the state; assist the legislature in the development of legislation for improving the effectiveness of the justice systems in addressing the needs of victims and survivors. | $ | 251,065 | $ | 251,065 |
| **C.1.3. Strategy:** VICTIMS ASSISTANCE<br>Provide grants and contracts to support victim-related services or assistance in the state; train local rape crisis programs and allied professionals and advocates in prevention, intervention and crisis services for sexual assault victims; certify Sexual Assault Nurse Examiners and training programs; and contract with Texas CASA, Inc., a nonprofit organization, to provide trained volunteers to be assigned by judges to advocate for abused and neglected children in the court system. | $ | 31,105,320 | $ | 31,112,565 |
| **Output (Volume):** | | | | |
| Total Number of Counties Served by CASA Programs | | 182 | | 205 |
| **Total, Goal C:** CRIME VICTIMS' SERVICES | $ | 93,043,365 | $ | 96,770,531 |
| **D. Goal:** REFER MEDICAID CRIMES<br>To provide an environment free of fraud, physical abuse, and criminal neglect for Medicaid recipients and the Medicaid program. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Amount of Medicaid Over-payments Identified | | 10,000,000 | | 10,000,000 |

| | | | | |
|---|---|---|---|---|
| **D.1.1. Strategy:** MEDICAID INVESTIGATION<br>Conduct a statewide program of investigation and refer for prosecution all violations of laws pertaining to fraud in the administration of the Texas Medicaid Program, the provision of medical assistance, and the activities of providers of medical assistance under the State Medicaid Plan. Review complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid Plan. | $ | 2,179,216 | $ | 2,179,216 |
| **Output (Volume):** | | | | |
| Number of Investigations Concluded | | 250 | | 250 |
| **Grand Total,** OFFICE OF THE ATTORNEY GENERAL | $ | 376,330,239 | $ | 382,078,648 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| Child Support Retained Collection Account | $ | 54,895,204 | $ | 53,686,495 |
| Attorney General Debt Collection Receipts | | 8,300,000 | | 8,300,000 |
| General Revenue Fund | | 42,048,925 | | 43,146,585 |
| General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees | | 2,937,771 | | 2,937,771 |
| Subtotal, General Revenue Fund | $ | 108,181,900 | $ | 108,070,851 |
| General Revenue Fund - Dedicated | | | | |
| AG Law Enforcement Account No. 5006 | | 443,125 | | 443,125 |
| Sexual Assault Program Account No. 5010 | | 204,904 | | 204,904 |
| Attorney General Volunteer Advocate Program Account No. 5036 | | 112,000 | | 112,000 |
| Compensation to Victims of Crime Account No. 469 | | 72,324,341 | | 75,776,723 |
| Subtotal, General Revenue Fund - Dedicated | $ | 73,084,370 | $ | 76,536,752 |
| Federal Funds | | 176,399,777 | | 178,871,344 |
| Other Funds | | | | |
| Appropriated Receipts | | 8,608,532 | | 8,544,041 |
| Interagency Contracts | | 4,420,388 | | 4,420,388 |
| State Highway Fund No. 006 | | 5,635,272 | | 5,635,272 |
| Subtotal, Other Funds | $ | 18,664,192 | $ | 18,599,701 |
| **Total, Method of Financing** | $ | 376,330,239 | $ | 382,078,648 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 3,498.6 | | 3,466.6 |
| **Schedule of Exempt Positions:** | | | | |
| Attorney General, Group 4 | | $92,217 | | $92,217 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 138,641,688 | $ | 137,379,773 |
| Other Personnel Costs | | 3,757,098 | | 3,708,066 |
| Professional Fees and Services | | 9,776,682 | | 13,734,403 |
| Fuels and Lubricants | | 30,262 | | 30,262 |
| Consumable Supplies | | 1,805,905 | | 1,743,501 |
| Utilities | | 7,185,826 | | 7,587,386 |
| Travel | | 4,620,453 | | 4,639,760 |
| Rent - Building | | 9,947,147 | | 10,101,816 |
| Rent - Machine and Other | | 6,157,276 | | 6,981,276 |

| | | | | |
|---|---|---|---|---|
| Other Operating Expense | | 154,097,282 | | 154,801,671 |
| Grants | | 39,095,620 | | 38,855,734 |
| Capital Expenditures | | 1,215,000 | | 2,515,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 376,330,239 | $ | 382,078,648 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Child Support Hardware/Software Enhancements | $ | 670,000 | $ | 2,245,000 |
| (2) Administrative and Legal Printer Refresh Project | | 21,500 | | 0 |
| (3) Other PC Refresh Project | | 14,360 | | 14,632 |
| Total, Acquisition of Information Resource Technologies | $ | 705,860 | $ | 2,259,632 |
| b. Acquisition of Capital Equipment and Items | | | | |
| (1) Office Furniture and Equipment (Child Support) | | 707,135 | | 382,135 |
| Total, Acquisition of Capital Equipment and Items | $ | 707,135 | $ | 382,135 |
| Total, Capital Budget | $ | 1,412,995 | $ | 2,641,767 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| GR Dedicated - Compensation to Victims of Crime Account No. 469 | $ | 35,860 | $ | 14,632 |
| Federal Funds | | 565,709 | | 1,265,309 |
| Child Support Retained Collection Account | | 811,426 | | 1,361,826 |
| Total, Method of Financing | $ | 1,412,995 | $ | 2,641,767 |

2. **Cost Allocation, Reporting Requirement.** The Attorney General's Office is directed to continue an accounting and billing system by which the costs of legal services provided to each agency may be determined. This cost information shall be provided to the Legislative Budget Board and the Governor within 60 days after the close of the fiscal year.

3. **Child Support Collections.**

   a. The Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collections Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the

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

b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of $808,289 in fiscal year 2004 and $808,289 in fiscal year 2005, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are hereby appropriated to the Attorney General for use during the 2004–05 biennium, in addition to the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor or the Legislative Budget Board.

c. The Attorney General is directed to accrue and leave unexpended amounts in the Child Support Retained Collections Account sufficient to be used as the initial state funding necessary for operation of the Child Support Enforcement program during fiscal year 2006. It is the intent of the Legislature that this program be self sufficient through funding from the Child Support Retained Collections Account and related Title IV-D grant funds.

d. The Attorney General, in cooperation with the Comptroller of Public Accounts, shall develop and maintain such cost centers and/or subaccounts within the Child Support Trust Fund No. 994 and/or the Child Support Retained Collections Account as may be determined necessary or appropriate to separately account for, and allocate the interest earned on, the various sources for receipts deposited to, and types of expenditures made from such funds. The Comptroller of Public Accounts shall separately allocate interest earned by the State to each such cost center and/or subaccount, or to such groupings thereof as may be designated by the Attorney General for purposes of reporting interest earned to the federal government.

e. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2003, in such funds to be available for use in fiscal year 2004. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account on hand as of August 31, 2004, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2005. It is the intent of the Legislature that the remaining balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2005, be carried forward into fiscal year 2006 and be appropriated for fiscal year 2006 for the child support enforcement program.

f. In addition to the amounts otherwise appropriated for Strategy B.1.1, Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Chapter 231 of the Texas Family Code are hereby appropriated to the Office of the Attorney General for use during the 2004–05 biennium.

4. **Disposition, Earned Federal Funds.** Earned Federal Funds received in connection with child support enforcement, in excess of the amounts included in the Comptroller's Biennial Revenue Estimate for earned federal funds received by the Office of the Attorney General, plus federal matching funds, are appropriated to the Office of the Attorney General for use in Strategy B.1.1, Child Support Enforcement.

5. **Reporting Requirement.** The Attorney General's Office is directed to develop and maintain separate accounting information and records on receipts and distribution of funds from the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account. Such information must at a minimum identify all deposits, allocations and expenditures by type of revenues. The Comptroller of Public Accounts shall prescribe rules and procedures to assure compliance with this section and all transactions and balances shall be reconciled monthly against the records of the Comptroller. In addition to the requirements for annual financial reports required by the General Provisions of this Act, the Attorney General shall include a separate section detailing all such balances, receipts and distributions of money in Fund No. 994 and the Child Support Retained Collections Account. The report must specifically show balances held for transfer to operating appropriations of the Attorney General's Office and any other agency. In addition, any balances which are unclaimed and subject to escheat under other laws must be identified as to amount and age.

6. **Debt Collections.**

   a. The Office of the Attorney General shall attempt to collect all delinquent judgments owed the State of Texas. A portion of those debts collected, as outlined below, shall be eligible for retention by the Office of the Attorney General and may be used as a source of funding for agency operations as specified in and limited by the method of financing of the Office. One hundred percent of the debts collected by the Office of the Attorney General and eligible for retention by the Office shall be applied toward the amounts shown above for Attorney General Debt Collection Receipts in the method of financing for agency operations. Regardless of the total amount collected by the Attorney General, in no event shall this provision be construed as an appropriation in addition to the amount appropriated above as specified in the method of financing, of any of the funds collected by the Office of the Attorney General.

   b. To be eligible for retention by the Office of the Attorney General the debt collected must be from a qualifying judgment. Qualifying judgments, as used in this rider, are judgments that are at least one-year old from the date of entry of the court order and also include debts not reduced to judgment where there are collections on the debt by the Collections Division of the Attorney General's Office if the debt is delinquent by more than one year or has been certified for collection to the Collections Division of the Attorney General's Office. In no event shall more than $5.0 million from collections stemming from a common nucleus of operative fact be eligible for retention by the Office of the Attorney General.

   c. It is the intent of the Legislature that the following not be allowed as a credit toward the percentage set forth in Rider 6.a. above: judgments collected by state agencies; judgments less than one year old; or judgments collected without direct action by the Attorney General's Collection Division.

   d. The Attorney General shall maintain a centralized recordkeeping system for accounting for various departmental and agency certification of delinquent taxes, judgments, and other debts owed the state. The accounting should distinguish by type of tax, judgment, or other debt, and provide for: when the debt was certified by an agency or department for collection by the Attorney General; when it was collected or disposed of, and such other information as the Legislative Budget Board, Governor, or the Comptroller of Public Accounts may require. The Attorney General shall submit semi-annual reports to the Governor and the Legislative Budget Board detailing by agency or department the amount of each debt, when the debt was certified and when, and in what amount, it was collected or disposed of.

7. **River Compact Lawsuit Contingency.** Out of the amounts appropriated above for Strategy A.1.1, Legal Services, $205,000 shall be set aside to purchase professional services to force

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

8. **Client Representation.** In making a determination whether to initiate or settle litigation referred by a state agency, the Attorney General shall follow the written recommendation of the executive director of the referring state agency, or his/her designee, unless the Attorney General determines that good cause exists to disregard such recommendation. In that event, the Attorney General shall provide the client agency with a written explanation of the reasons for such determination.

9. **Appropriation of Receipts, Court Costs.** Out of the funds appropriated above as Appropriated Receipts, $7,500,000 in each year of the biennium represents the annual appropriation of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General. Fifty percent of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General in excess of those specifically appropriated and shown in the agency's method of financing are appropriated to the Office of the Attorney General, in an amount not to exceed $3,468,750 each year. At least semi-annually, beginning within 60 days after the close of each fiscal year, or more often upon request of the Legislative Budget Board, the Office of the Attorney General shall submit to the Legislative Budget Board, the Senate Finance Committee, the House Appropriations Committee, and the Governor a report that lists each case in which an award of court costs, attorneys' fees, or investigative fees was made, the date of the award, the amount of court costs that were awarded, the amount of investigative costs that were awarded, the amount of attorneys' fees that were awarded, and the strategy or strategies to which the above receipts were allocated, in addition to any other information that may be requested by the Legislative Budget Board.

10. **Interagency Contracts for Legal Services.** The Office of the Attorney General shall not be appropriated any state funds from interagency contracts, notwithstanding the provisions of the section entitled Reimbursements and Payments, in Article IX, General Provisions of this Act unless the Attorney General gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission by the affected agency. Any such interagency contract for legal services between the Attorney General's Office and state agencies shall not jeopardize the ability of the agencies to carry out their legislative mandates, shall not affect their budget such that employees must be terminated in order to pay the requested amount and shall not exceed reasonable attorney fees for similar legal services in the private sector. The Office of the Attorney General is hereby appropriated funds received from interagency contracts for non-legal services rendered by the Office of the Attorney General.

11. **Unexpended Balances between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in appropriations made to the Office are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

12. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Attorney General is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.

13. **Victims Assistance Grants.** Funds appropriated above in C.1.3, Victims Assistance, shall be spent as follows:

| Program | FY 2004 | FY 2005 |
|---|---|---|
| (1) Victims Assistance Coordinators and Victims Liaisons | $ 2,394,243 | $ 2,394,243 |
| (2) Court Appointed Special Advocates | 3,112,000 | 3,112,000 |

| | | |
|---|---|---|
| (3) Sexual Assault Prevention and Crisis Services Program | 10,742,519 | 10,742,519 |
| (4) Sexual Assault Services Program Grants | 375,000 | 375,000 |
| (5) Children's Advocacy Centers | 3,999,003 | 3,999,003 |
| (6) Legal Services Grants | 2,500,000 | 2,500,000 |
| (7) Other Victim Assistance Grants | 4,395,150 | 4,402,395 |
| (8) Statewide Victim Notification System | 3,574,845 | 3,574,845 |
| Total | $ 31,092,760 | $ 31,100,005 |

Method of Financing:

| | | |
|---|---|---|
| Compensation to Victims of Crime Fund No. 469 | $ 27,203,543 | $ 27,210,788 |
| Sexual Assault Program Account No. 5010 | 204,904 | 204,904 |
| Attorney General Volunteer Advocate Program Account No. 5036 | 112,000 | 112,000 |
| Federal Funds | 3,572,313 | 3,572,313 |
| Total, Method of Financing | $ 31,092,760 | $ 31,100,005 |

None of the funds appropriated in Strategy C.1.3, Victims Assistance, may be expended on grants to organizations that make contributions to campaigns for elective office or that endorse candidates.

Within 60 days after the close of each fiscal year, the Office of the Attorney General shall submit a report detailing the expenditure of funds appropriated in Strategy C.1.3, Victims Assistance. The report shall include information on the guidelines used to select programs that receive grants, on the amount of grants awarded in each of the categories listed above, on the amount of expenditures for administration, and on audit and oversight activities conducted relating to the victims assistance grants and the programs receiving such grants. The report shall be submitted to the Legislative Budget Board, the Governor, the Senate Finance Committee, and the House Appropriations Committee.

14. **Appropriation: CASA License Plate Revenues.** Included in amounts appropriated above in Strategy C.1.3, Victims Assistance, is $112,000 in fiscal year 2004 and $112,000 in fiscal year 2005 from the Attorney General Volunteer Advocate Program Account No. 5036 for the purpose of contracting with Texas CASA, Inc. Any additional revenues received and deposited into the Attorney General Volunteer Advocate Program Account No. 5036 are hereby appropriated to the Office of the Attorney General for the same purpose.

15. **Child Support Contractors.** Full-time-Equivalent (FTE) positions associated with contracted workers in Strategy B.1.1, Child Support Enforcement, shall be exempt from the provisions in Article IX relating to limiting state agency employment levels.

16. **Elephant Butte Litigation.** The Office of the Attorney General may, if the Attorney General deems necessary, use funds appropriated above in Strategy A.1.1, Legal Services, not to exceed a total amount of $10,153,000, for potential intervention in certain developing ground and surface water disputes with the state of New Mexico along the Rio Grande Project from Elephant Butte Reservoir to Fort Quitman, Texas.

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

17. **Excess Retained Collections.** In addition to funds appropriated above, the Office of the Attorney General is hereby appropriated Child Support Retained Collections receipts in excess of the amounts in the Comptroller's Biennial Revenue Estimate, plus federal matching funds, to be used in Strategy B.1.1, Child Support Enforcement and B.1.2, State Disbursement Unit, during the 2004–05 biennium.

18. **Crime Victims Services Publications.** It is the intent of the Legislature that any information disseminated by the Office of the Attorney General regarding crime victims services be published in both English and Spanish.

19. **Hawkins Field Litigation.** Included in amounts appropriated above in Strategy A.1.1, Legal Services, is $1,700,000 from the State Highway Fund 6 in fiscal year 2004 for litigation expenses related to the Hawkins Field lawsuit, or other litigation related to the conversion of mineral rights on state property.

## BOND REVIEW BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** PROTECT TEXAS BOND RATING<br>Ensure that Texas state bonds attain the highest possible bond rating and that these bonds are issued in a cost-effective manner. | | |
| **A.1.1. Strategy:** REVIEW BOND ISSUES<br>Review each Texas Bond Review Board project application to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance and other provisions which affect marketability. | $ 108,563 | $ 108,563 |
| **Output (Volume):**<br>Number of State Bond Issues and Lease-purchase Projects Reviewed | 42 | 42 |
| **A.1.2. Strategy:** STATE BOND DEBT<br>Analyze and report to the Legislature, rating agencies, and other interested parties on Texas' debt burden, credit-worthiness and capital expenditure plan. Analyze and report to the Legislature and other policymakers actions that would raise the state's bond rating and/or lower state borrowing costs. | $ 108,563 | $ 108,563 |
| **Output (Volume):**<br>Number of Responses to Debt Information Requests | 150 | 150 |
| **Total, Goal A:** PROTECT TEXAS BOND RATING | $ 217,126 | $ 217,126 |

**B. Goal:** LOCAL BOND DEBT
Ensure that public officials have access to current information

| | | | | |
|---|---|---|---|---|
| regarding local government debt issuance, finance and debt management. | | | | |
| **B.1.1. Strategy:** LOCAL BOND DEBT<br>Collect, maintain and analyze data on the current status of and improvements to local government debt issuance finance and debt management. Report findings to the Legislature, other state officials and local policymakers. | $ | 196,448 | $ | 196,448 |
| **Output (Volume):**<br>Number of Local Government Financings Analyzed | | 1,100 | | 1,100 |
| **C. Goal:** PRIVATE ACTIVITY BONDS<br>Ensure that the authorization to issue private activity bonds for Texas state and local entities is allocated consistently with legislative mandates, in the most equitable manner possible, and in the best interest of the people of Texas. | | | | |
| **C.1.1. Strategy:** PRIVATE ACTIVITY BONDS<br>Administer the private activity bond allocation program efficiently and effectively to ensure the total utilization of the state's annual private activity bond allocation according to federal regulations and compile and analyze the results of each allocation in an annual report. | $ | 103,393 | $ | 103,393 |
| **Output (Volume):**<br>Number of Applications Reviewed | | 360 | | 375 |
| **Grand Total,** BOND REVIEW BOARD | $ | 516,967 | $ | 516,967 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 9.5 | | 9.5 |
| **Schedule of Exempt Positions:**<br>Executive Director, Group 3 | | $80,000 | | $80,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 472,000 | $ | 472,000 |
| Other Personnel Costs | | 6,000 | | 6,000 |
| Professional Fees and Services | | 1,000 | | 1,000 |
| Consumable Supplies | | 3,000 | | 3,000 |
| Utilities | | 500 | | 500 |
| Travel | | 2,000 | | 2,000 |
| Rent - Machine and Other | | 3,600 | | 3,600 |
| Other Operating Expense | | 28,867 | | 28,867 |
| **Total, Object-of-Expense Informational Listing** | $ | 516,967 | $ | 516,967 |

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

## BUILDING AND PROCUREMENT COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROCUREMENT<br>Manage a procurement system that ensures the state receives quality, cost-effective goods and services and maximizes competition while facilitating business opportunities for Historically Underutilized Businesses (HUBs). | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Awards Made to HUBs Based on State Term and Schedule Contracts | 22% | 22% |
| Percent Increase in Dollar Value of Purchases Made through the TBPC Cooperative (Co-op) Program | 12% | 15% |
| Percentage of Post-payment Audits Completed | 50% | 50% |
| **A.1.1. Strategy:** STATEWIDE PROCUREMENT<br>Provide a competitive procurement system that maximizes the state's buying power by providing statewide contracts, technical expertise, and innovative procurement tools to state agencies and cooperative entities. | $ 2,428,675 | $ 2,428,675 |
| **Output (Volume):** | | |
| Number of New, Revised, and Renewed Term Contracts Awarded | 164 | 165 |
| **A.1.2. Strategy:** TRAINING AND COMPLIANCE<br>Ensure state purchasers are qualified and follow procurement practices that are cost effective and maximize competition. | $ 330,147 | $ 330,147 |
| **A.1.3. Strategy:** STATEWIDE HUBS<br>Facilitate statewide use of HUBs through effective promotion of business opportunities and ensure integrity of the program through certification, compliance, and reporting functions. | $ 1,052,508 | $ 552,508 |
| **A.1.4. Strategy:** TRAVEL PROCUREMENT<br>Minimize statewide travel costs through effective procurement and management of airline, hotel, and rental car contracts. | $ 190,730 | $ 190,730 |
| **Output (Volume):** | | |
| Number of State Travelers Using Travel Contracts | 30,000 | 30,000 |
| **Total, Goal A:** PROCUREMENT | $ 4,002,060 | $ 3,502,060 |
| **B. Goal:** FACILITIES CONSTRUCTION AND LEASING<br>Provide office space for state agencies through construction and leasing services. | | |
| **Outcome (Results/Impact):** | | |
| Square Footage of Office Space Leased Per Full-Time Equivalent | 153 | 153 |
| Cost Savings Achieved through Efficient Use of State-owned Space | 2,126,027 | 2,145,674 |
| Cost Savings Achieved through the Negotiation of Leased Space | 5,381,925 | 5,116,634 |
| Percentage of Completed Construction Projects on Schedule within Budget | 90% | 90% |
| Cost Savings Achieved by Moving State Agencies from Leased Space to State-owned Space | 100,000 | 500,000 |
| **B.1.1. Strategy:** LEASING<br>Provide quality leased space for state agencies at the best value for the state. | $ 231,361 | $ 231,361 |
| **Output (Volume):** | | |
| Total Number of Leases Awarded, Negotiated, or Renewed | 196 | 204 |
| Percent Reduction of Leased Square Footage of Office and Warehouse Space | 20% | 20% |

| | | | | |
|---|---|---|---|---|
| **Explanatory:** | | | | |
| Number of Emergency Leases Awarded, Negotiated, or Renewed | | 0 | | 0 |
| Total Square Footage of Office and Warehouse Space Leased | | 10,509,377 | | 10,081,028 |
| **B.1.2. Strategy:** FACILITIES PLANNING | $ | 187,256 | $ | 187,256 |
| Ensure that the state optimizes the use of leased, purchased, and constructed office space by providing planning and space management services to state agencies. | | | | |
| **B.2.1. Strategy:** BUILDING DESIGN AND CONSTRUCTION | $ | 5,261,552 | $ | 2,957,863 |
| Provide a comprehensive program to ensure that state facilities are designed and built timely, cost effectively, and are of the highest quality. | | | | |
| **Total, Goal B:** FACILITIES CONSTRUCTION AND LEASING | $ | 5,680,169 | $ | 3,376,480 |
| **C. Goal:** PROPERTY MANAGEMENT | | | | |
| To protect and cost effectively manage and maintain state-owned facilities. | | | | |
| **C.1.1. Strategy:** CUSTODIAL | $ | 4,868,108 | $ | 4,868,108 |
| Provide cost-effective and efficient custodial services for state facilities. | | | | |
| **Efficiencies:** | | | | |
| Average Cost Per Square Foot of TBPC-provided Custodial Services | | .08 | | .08 |
| Average Cost Per Square Foot of Privatized Custodial Services | | .08 | | .08 |
| **C.2.1. Strategy:** FACILITIES OPERATION | $ | 29,272,876 | $ | 21,226,376 |
| Provide a comprehensive program to protect the State's investment in facilities by eliminating deferred maintenance needs, providing grounds maintenance and minor construction services, improving the reliability of mechanical systems, and promoting efficient energy consumption and recycling. | | | | |
| **Efficiencies:** | | | | |
| Average Cost Per Square Foot of All Building Maintenance | | 1.3 | | 1.3 |
| **C.2.2. Strategy:** LEASE PAYMENTS | $ | | $ | |
| Make lease payments on facilities financed through the Public Finance Authority. | | | | |
| **Total, Goal C:** PROPERTY MANAGEMENT | $ | 34,140,984 | $ | 26,094,484 |
| **D. Goal:** SUPPORT SERVICES | | | | |
| To provide support to state agencies including office services, fleet management, and surplus property needs. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Estimated Savings to State Agencies on Purchases from the Central Supply Store | | 1,000,000 | | 1,000,000 |
| **D.1.1. Strategy:** CENTRAL OFFICE SERVICES | $ | 4,726,816 | $ | 4,701,816 |
| Provide for the timely and cost-effective delivery of office supplies, mail processing and printing to state agencies. | | | | |
| **D.1.2. Strategy:** FLEET MANAGEMENT | $ | 249,221 | $ | 249,221 |
| Develop and maintain a statewide vehicle fleet management system to provide detailed data on fleet use, to identify potential vehicle pooling or alternative fuel use opportunities. | | | | |
| **D.2.1. Strategy:** SURPLUS PROPERTY MANAGEMENT | $ | 2,001,909 | $ | 2,001,909 |
| To provide timely, appropriate, and cost-effective opportunities for disposal of | | | | |

| | | | | |
|---|---|---|---|---|
| state and federal surplus property to maximize the value received by the state. | | | | |
| **Output (Volume):** | | | | |
| Dollar Amount of Federal Surplus Property Donated | | 22,000,000 | | 24,200,000 |
| **Total, Goal D:** SUPPORT SERVICES | $ | 6,977,946 | $ | 6,952,946 |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,698,699 | $ | 2,698,699 |
| **E.1.2. Strategy:** INFORMATION RESOURCES | $ | 2,166,545 | $ | 2,166,545 |
| **E.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 1,066,753 | $ | 1,066,753 |
| **Total, Goal E:** INDIRECT ADMINISTRATION | $ | 5,931,997 | $ | 5,931,997 |
| **Grand Total,** BUILDING AND PROCUREMENT COMMISSION | $ | 56,733,156 | $ | 45,857,967 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 32,517,446 | $ | 31,540,575 |
| Subtotal, General Revenue Fund | $ | 32,517,446 | $ | 31,540,575 |
| General Revenue Fund - Dedicated | | | | |
| Texas Department of Insurance Operating Fund Account No. 036 | | 1,030,083 | | 1,030,083 |
| Surplus Property Service Charge Fund Account No. 570 | | 1,573,022 | | 1,573,022 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,603,105 | $ | 2,603,105 |
| Other Funds | | | | |
| Appropriated Receipts | | 2,782,447 | | 1,640,159 |
| Interagency Contracts | | 10,149,128 | | 10,074,128 |
| Bond Proceeds - General Obligation Bonds | | 8,021,500 | | 0 |
| Bond Proceeds - Revenue Bonds | | 500,000 | | 0 |
| Capitol Complex Area Fund No. 7 | | 159,530 | | 0 |
| Subtotal, Other Funds | $ | 21,612,605 | $ | 11,714,287 |
| **Total, Method of Financing** | $ | 56,733,156 | $ | 45,857,967 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 215,193 | $ | 218,490 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 688.0 | | 688.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 4 | | $115,000 | | $115,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 16,923,956 | $ | 16,923,956 |
| Other Personnel Costs | | 518,236 | | 518,236 |
| Operating Costs | | 50,000 | | 0 |
| Professional Fees and Services | | 2,092,159 | | 1,592,159 |
| Fuels and Lubricants | | 70,437 | | 70,437 |
| Consumable Supplies | | 1,368,540 | | 1,368,540 |
| Utilities | | 12,871,792 | | 12,871,792 |
| Travel | | 134,660 | | 134,660 |
| Rent - Building | | 413,580 | | 413,580 |
| Rent - Machine and Other | | 213,677 | | 213,677 |

| | | |
|---|---|---|
| Other Operating Expense | 9,482,147 | 9,482,147 |
| Capital Expenditures | 12,593,972 | 2,268,783 |
| **Total, Object-of-Expense Informational Listing** | $ 56,733,156 | $ 45,857,967 |

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

| | For the Fiscal Year Ending August 31, 2004 | August 31, 2005 |
|---|---|---|
| Strategy C.2.2, Lease Payments | $ 46,395,405 | $ 46,336,794 &UB |
| Method of Financing: | | |
| General Revenue Fund | $ 33,907,692 | $ 43,363,384 |
| GR–Dedicated Account | | |
| Department of Insurance Operating Fund Account No. 036 | 2,974,925 | 2,973,410 |
| Current Fund Balance | 9,512,788 | 0 |
| Total, Method of Financing, Lease Payments | $ 46,395,405 | $ 46,336,794 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Construction of Buildings and Facilities | | |
| (1) Construction of Buildings | $ 2,976,871 & UB | $ 2,000,000 & UB |
| b. Repair or Rehabilitation of Buildings and Facilities | | |
| (1) Asbestos Abatement and Building Repair | 1,301,818 & UB | UB |
| (2) Deferred Maintenance | 8,021,500 & UB | UB |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ 9,323,318 | $ 0 |

| | | | | |
|---|---|---|---|---|
| c. Acquisition of Information Resource Technologies | | | | |
| (1) Computer Equipment | | 52,000 | | 0 |
| d. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Print Shop Equipment, 2 Color Offset Press | | 6,136 | | 0 |
| (2) Print Shop Equipment, Imagesetter | | 40,156 | | 20,008 |
| (3) Print Shop Equipment, Two Color Press | | 88,480 | | 88,121 |
| (4) Print Shop Equipment, Three Knife Book Trimmer | | 23,572 | | 23,464 |
| Total, Other Lease Payments to the Master Lease Purchase Program (MLPP) | $ | 158,344 | $ | 131,593 |
| Total, Capital Budget | $ | 12,510,533 | $ | 2,131,593 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 528,871 | $ | 0 |
| Subtotal, General Revenue Fund | $ | 528,871 | $ | 0 |
| Other Funds | | | | |
| Capitol Complex Area Fund No. 7 | | 159,530 | | 0 |
| Appropriated Receipts | | 1,142,288 | | 0 |
| Interagency Contracts | | 2,158,344 | | 2,131,593 |
| Bond Proceeds - General Obligation Bonds | | 8,021,500 | | UB |
| Bond Proceeds - Revenue Bonds | | 500,000 | | UB |
| Subtotal, Other Funds | $ | 11,981,662 | $ | 2,131,593 |
| Total, Method of Financing | $ | 12,510,533 | $ | 2,131,593 |

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

   Included in the amounts appropriated above are unexpended and unobligated balances remaining as of August 31, 2003, (not to exceed $8,021,500) for deferred maintenance for the 2004–05 biennium to Strategy C.2.1, Facilities Operation, in General Obligation Bonds.

4. **Appropriation of Construction and Planning Fund.** Included in amounts appropriated above are unexpended and unobligated balances in revenues remaining as of August 31, 2003, and revenues accruing pursuant to § 2166.157, Title 10, Government Code from appropriations for engineering, architectural, and other planning expenses necessary to make a construction project analysis for the 2004–05 biennium to Strategy B.2.1, Building Design and Construction, not to exceed $54,483 in General Revenue.

5. **Appropriation of Unexpended Construction Funds.** Included in amounts appropriated above are unexpended and unobligated balances in revenues remaining as of August 31, 2003 for property acquisition, repairs, and renovations for the abatement to facilities under the Commission's authority to Strategy B.2.1, Building Design and Construction, not to exceed $1,301,818 (consisting of $159,530 in Capitol Area Complex Fund No. 007 and $1,142,288 in Appropriated Receipts). The commission will notify the Legislative Budget Board and the Governor of all expenditures for emergency repairs.

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

6. **Transfer Authority - Utilities.** In order to provide for unanticipated cost increases in purchased utilities during fiscal year 2004, the Texas Building and Procurement Commission may transfer such amounts as may be necessary to cover such increases from appropriations made in fiscal year 2005 for utilities in C.2.1, Facilities Operation, to amounts appropriated in fiscal year 2004 for utilities. Prior to transferring fiscal year 2005 funds into the 2004 fiscal year, notification shall be given to the Comptroller of Public Accounts of the amounts to be transferred and quarterly reports shall be filed with the Legislative Budget Board and the Governor detailing the necessity for such transfers.

7. **Maintenance - Aircraft Pooling Board.** The Texas Building and Procurement Commission shall be responsible for the maintenance of state owned real property and facilities acquired for use by the Aircraft Pooling Board.

8. **Approval of Space Leases and Bid Specifications.** All state office space leases and bid specifications must be approved by the Texas Building and Procurement Commission before signed or published by an agency. Bid specifications and leases will be considered approved if no exception is taken by the commission within 15 working days.

9. **Employee Testing.** Out of the funds appropriated herein, the Texas Building and Procurement Commission is authorized to pay for medical testing for employees or prospective employees that work in high risk environment areas (e.g., asbestos removal, sewage). Funds appropriated above may also be expended for immunizations which are required of employees at risk in the performance of these duties. Testing deemed necessary under this provision must be approved by the Executive Director and obtained for the safety of the employee or the general public.

10. **Office Notification Policy.** Before relocation of an office, execution of a contract for lease of a state office, or before implementing a change in policy which affects office location, the Legislative members for the respective district must be notified to the extent possible.

11. **Cost Recovery, Reimbursement of General Revenue Funds.** In the event that the Leasing Services Program or any other function funded with general revenue in the above strategies, recovers operational costs through reimbursements from other agencies or entities, the Texas Building and Procurement Commission shall reimburse the General Revenue Fund for the amounts expended. Upon reimbursement, the comptroller shall transfer these funds to unappropriated general revenue balances.

12. **Texas Building and Procurement Commission's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the "Texas Building and Procurement Commission's Revolving Account" to account for the expenditures, revenues, and balances of its full cost-recovery operations of Central Store, Print Shops, Minor Construction, and Project Management. The expenditures, revenues, and balances for each operation shall be maintained separately by the Texas Building and Procurement Commission within its accounting system. Included in funds appropriated above are unexpended and unobligated balances for these operations as of August 31, 2003 (not to exceed $75,000 in Interagency Contracts) for use during the 2004–05 biennium, along with any revenues received during the biennium. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005.

13. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Federal Surplus Property program cover, at a minimum, the cost of the appropriations made for

the Federal Surplus Property Program above for strategy item D.2.1, Surplus Property Management, as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the Federal Surplus Property Program above for strategy item D.2.1, Surplus Property Management, are estimated to be $215,193 for fiscal year 2004 and $218,490 for fiscal year 2005. In the event that the actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available. Any unexpended balances as of August 31, 2003 (estimated to be $0), in Surplus Property Service Charge Account Fund 570 are hereby appropriated to the Texas Building and Procurement Commission for costs associated with the operations of the Federal Surplus Property Program during the 2004–05 biennium. Any balances remaining on August 31, 2004, are appropriated for the same use during fiscal year 2005.

14. **Unexpended Balances, Bidders List Fees.** The Texas Building and Procurement Commission is hereby authorized to carry forward unexpended balances received from bidders list fees collected during fiscal year 2004 to fiscal year 2005 for the cost of maintaining a consolidated statewide bidders list.

15. **Electronic Purchasing Costs.** The Texas Building and Procurement Commission (TBPC) is authorized to establish an electronic purchasing service for all state agencies and institutions of higher education that choose to use it. This service may only be provided on a full cost recovery basis, such that agencies and institutions of higher education will pay for their share of the costs of this service. In addition, the TBPC is authorized to charge vendors for their share of the costs related to electronic purchasing. Any such reimbursement amounts are hereby appropriated to the TBPC. As an alternative to charging vendors, TBPC may enter into agreements with vendors so that payments for electronic purchasing costs are made by TBPC and a vendor on a pro rata basis.

16. **Stand by Pay.** It is expressly provided that the Texas Building and Procurement Commission, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked for each day on-call during the normal work week, and two hours worked for each day on-call during weekends and on holidays. This credit shall be in addition to actual hours worked during normal duty hours and actual hours worked during on-call status. For employees subject to the Fair Labor Standards Act (FLSA) an hour of on-call service shall be considered to be an hour worked during the week for purposes of the FLSA only to the extent required by federal law.

17. **Capitol Complex–Utilities.** Notwithstanding any other provision in this Act, the Texas Building and Procurement Commission shall be responsible for the payment of all utility costs out of appropriated funds in Strategy C.2.1, Facilities Operation, for the Capitol, the Capitol Extension, the Historic Capitol Grounds, the 1857 General Land Office Building, and the State History Museum.

18. **County Employee Travel.** Included in amounts appropriated above are fees paid by local governments to the Texas Building and Procurement Commission (TBPC) for local law enforcement officials and county employees to use TBPC travel service contracts when transporting a state prisoner or traveling on official county business. The funds included above are to be used to recover agency costs to Strategy A.1.4, Travel Procurement, estimated to be $35,000 in Appropriated Receipts for each fiscal year of the biennium.

19. **State Owned Housing.** A State Cemetery employee is authorized to live in the State Cemetery Caretaker's residence as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Funds recovered for employee housing are hereby appropriated to the agency to maintain the State Cemetery Caretaker's residence.

20. **Night Shift Differential.** It is expressly provided that the Texas Building and Procurement Commission, to the extent provided by law, is hereby authorized to pay an additional night shift differential to Print Shop, Environmental Services, and Property Management employees.

21. **State-Owned Space.** It is the intent of the Legislature that state agencies be located in state-owned buildings or facilities whenever possible. The Texas Building and Procurement Commission shall prioritize state-owned buildings or space when locating office space for state agencies.

22. **Texas State Cemetery.**
    a. Out of funds appropriated above, in Strategies C.2.1, Facilities Operation and B.2.1, Building Design and Construction, there is hereby allocated a total of $495,726 for each year of the biennium beginning September 1, 2003, for the purpose of operation and maintenance, including constructing and furnishing facilities, at the Texas State Cemetery and/or the cemetery annex and for developing and maintaining a master plan for the Texas State Cemetery.

    b. Any unexpended balances, as of August 31, 2003, remaining from the allocation for the Texas State Cemetery in Rider 27, page I-49, General Appropriations Act (2002–03 Biennium), not to exceed $422,388 in General Revenue Funds, is included in amounts appropriated above in Strategy C.2.1, Facilities Operation, for the purposes specified by this section.

23. **State Office Lease Space.** The Leasing Division of the Texas Building and Procurement Commission shall make a good faith effort to provide a state agency, whose central operations are located within Travis County and that is in the process of initiating or renewing a lease agreement for office space, with information on lease availability, terms, and rates in other Texas counties in addition to Travis County. Additionally, if an agency requests initiation or renewal of a lease agreement in Travis County, the agency shall provide the Texas Building and Procurement Commission written justification for the reason(s) the proposed lease must be located in Travis County.

## COMPTROLLER OF PUBLIC ACCOUNTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMPLIANCE WITH TAX LAWS | | |
| To improve voluntary compliance with tax laws. | | |
| **Outcome (Results/Impact):** | | |
| Percent Accuracy Rate of Reported Amounts on Original Audits | 98% | 98% |
| Average Monthly Delinquent Account Closure Rate per Enforcement Collector | 318 | 318 |
| Percentage of Proposed Decisions by Administrative Law Judges Issued Within 40 Days of the Record Closing | 97% | 97% |
| **A.1.1. Strategy:** ONGOING AUDIT ACTIVITIES | $ 58,205,118 | $ 58,205,118 |
| Maintain an ongoing program of audit and verification activities in support of improved tax compliance. | | |
| **Output (Volume):** | | |
| Number of Audits and Verifications Conducted | 14,000 | 14,000 |
| **Efficiencies:** | | |
| Average Dollars Assessed to Dollar Cost | 21 | 21 |
| **A.2.1. Strategy:** TAX LAWS COMPLIANCE | $ 32,116,770 | $ 32,116,770 |

| | | | | |
|---|---|---|---|---|
| Improve voluntary compliance with tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program. | | | | |
| **Efficiencies:** | | | | |
| Delinquent Taxes Collected Per Collection-related Dollar Expended | | 76 | | 76 |
| **A.3.1. Strategy:** TAXPAYER INFORMATION | $ | 13,728,549 | $ | 13,728,549 |
| Provide accurate and timely tax information to taxpayers, tax professionals, state officials, and the citizens of Texas. | | | | |
| **Output (Volume):** | | | | |
| Total Number of Written Responses Issued by the Tax Policy Sections (Excluding Exempt Organizations) and the Information Support Section | | 11,800 | | 12,840 |
| **Efficiencies:** | | | | |
| Percent of Written Responses Issued by the Tax Policy Sections (Excluding Exempt Organizations) and the Information Support Section within 7 Working Days | | 85% | | 85% |
| **A.4.1. Strategy:** TAX HEARINGS | $ | 7,594,347 | $ | 7,594,347 |
| Provide fair and timely hearings, represent the agency in administrative hearings on tax matters, and provide legal counsel and research to the agency. | | | | |
| **Output (Volume):** | | | | |
| Number of Final Decisions Rendered by Administrative Law Judges | | 1,300 | | 1,300 |
| **Efficiencies:** | | | | |
| Average Length of Time (Work Days) Taken to Issue a Proposed Decision Following Record Closing | | 10 | | 10 |
| **Total, Goal A:** COMPLIANCE WITH TAX LAWS | $ | 111,644,784 | $ | 111,644,784 |
| **B. Goal:** MANAGE FISCAL AFFAIRS | | | | |
| To efficiently manage the state's fiscal affairs. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Fund Accounting Customers Who Return an Overall Customer Service Rating of Good or Excellent on Surveys | | 98% | | 98% |
| Percent of Texas School Performance Review Recommendations Implemented | | 87% | | 87% |
| Percentage of Independent School Districts in which PTD Met the Target Margin of Error | | 95% | | 95% |
| Percent of TPR Recommendations Successfully Implemented through Legislation or by State Agencies and Institutions of Higher Education | | 0% | | 60% |
| Increased Interest Earned through Minimization of Float (Banking) (Millions) | | 2,560,000 | | 2,560,000 |
| **B.1.1. Strategy:** ACCOUNTING/REPORTING | $ | 9,119,606 | $ | 9,119,606 |
| Project the receipts and disbursements of state government under Article III, Sec. 49a, Texas Constitution and complete all state accounting and reporting responsibilities in an efficient and timely manner. | | | | |
| **Efficiencies:** | | | | |
| Number of Staff Hours Required to Produce the Comprehensive Annual Financial Report | | 9,500 | | 9,000 |
| **B.1.2. Strategy:** CLAIMS AND PAYMENTS | $ | 9,737,679 | $ | 9,737,679 |
| Accurately and expeditiously audit and process all claims for payment against the state, issue payments (warrants and direct deposit), and provide assistance and training to state agencies. | | | | |
| **Output (Volume):** | | | | |
| Total Number of Payments Issued | | 24,919,827 | | 25,061,909 |

| | | | | |
|---|---|---|---|---|
| **B.2.1. Strategy:** TEXAS SCHOOL PERFORMANCE REVIEW | $ | 3,727,714 | $ | 3,727,714 |
| Review the efficiency and effectiveness of school district, college or university operations and other education-related entities in order to ensure the highest and best use of taxpayer dollars through the Texas School Performance Review. | | | | |
| **Output (Volume):** | | | | |
| Number of School Districts, Colleges and Universities Evaluated | | 20 | | 20 |
| **B.4.1. Strategy:** PROPERTY TAX PROGRAM | $ | 6,415,288 | $ | 6,415,288 |
| Fulfill tax code and education code mandates by conducting an annual property value study; providing technical assistance; and reviewing appraisal methods, standards, and procedures. | | | | |
| **Output (Volume):** | | | | |
| Number of Properties Included in the Property Value Study | | 124,000 | | 124,000 |
| **Efficiencies:** | | | | |
| Average Direct Cost Per Appraisal District Methods, Standards, and Procedures (MSP) Review | | 550 | | 550 |
| **B.5.1. Strategy:** FISCAL RESEARCH & STUDIES | $ | 9,624,697 | $ | 9,624,697 |
| Provide the public and private sectors with reliable information resources and analysis to ensure the most effective and efficient use of taxpayer dollars. | | | | |
| **Output (Volume):** | | | | |
| Number of Requests for Local Government Assistance Completed | | 20,000 | | 20,000 |
| Number of Financial Management Reviews Conducted | | 40 | | 40 |
| Number of Texas Performance Reviews Completed | | 3 | | 3 |
| **B.6.1. Strategy:** TREASURY OPERATIONS | $ | 4,717,810 | $ | 4,717,810 |
| Ensure that the state's assets, cash receipts, and warrants are properly secured, processed, deposited, and accounted for. | | | | |
| **B.7.1. Strategy:** INTEGRATED STATEWIDE ADMIN SYSTEM | $ | 2,453,538 | $ | 2,453,538 |
| Develop and maintain a client server integrated financial system that meets agencies' financial, administrative and technological needs through the following modules: general ledger accounting, asset management, purchasing, budget preparation and labor distribution. | | | | |
| **Output (Volume):** | | | | |
| Number of Integrated Statewide Administrative System (ISAS) Training Hours Provided to State Agency Personnel | | 4,000 | | 4,000 |
| **Total, Goal B:** MANAGE FISCAL AFFAIRS | $ | 45,796,332 | $ | 45,796,332 |
| **C. Goal:** TAX AND FINANCIAL INFO TECHNOLOGY | | | | |
| To expeditiously manage the receipt and disbursement of state tax revenue. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Time Taken to Return Tax Allocation to Local Jurisdictions (Days) | | 21 | | 21 |
| **C.1.1. Strategy:** REVENUE & TAX PROCESSING | $ | 37,538,496 | $ | 37,538,496 |
| Provide for and improve the processing of tax and voucher data, collection and allocation of tax revenue, and the disbursements of tax refunds. | | | | |
| **Output (Volume):** | | | | |
| Number of Tax Returns Processed | | 3,500,000 | | 3,500,000 |

## COMPTROLLER OF PUBLIC ACCOUNTS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Number of Hours to Deposit Priority Receipts | | 7 | | 7 |
| **Grand Total,** COMPTROLLER OF PUBLIC ACCOUNTS | $ | 194,979,612 | $ | 194,979,612 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 194,542,827 | $ | 194,539,632 |
| GR Dedicated - Texas Emissions Reduction Plan Account No. 5071 | | 160,515 | | 163,710 |
| Other Funds | | | | |
| Appropriated Receipts | | 101,270 | | 101,270 |
| Interagency Contracts | | 175,000 | | 175,000 |
| Subtotal, Other Funds | $ | 276,270 | $ | 276,270 |
| **Total, Method of Financing** | $ | 194,979,612 | $ | 194,979,612 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 2,932.0 | | 2,932.0 |
| **Schedule of Exempt Positions:** | | | | |
| Comptroller of Public Accounts, Group 4 | | $92,217 | | $92,217 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 143,593,034 | $ | 143,593,034 |
| Other Personnel Costs | | 3,589,475 | | 3,589,475 |
| Professional Fees and Services | | 9,851,775 | | 9,851,775 |
| Fuels and Lubricants | | 8,801 | | 8,801 |
| Consumable Supplies | | 1,224,124 | | 1,224,124 |
| Utilities | | 4,173,747 | | 4,173,747 |
| Travel | | 3,694,998 | | 3,694,998 |
| Rent - Building | | 2,553,689 | | 2,553,689 |
| Rent - Machine and Other | | 6,766,392 | | 6,766,392 |
| Other Operating Expense | | 19,523,577 | | 19,523,577 |
| **Total, Object-of-Expense Informational Listing** | $ | 194,979,612 | $ | 194,979,612 |

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the general provisions of this Act.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Daily Operations (Computer Leases) | $ | 7,748,377 | $ | 7,748,377 |
| (2) Data Center Operations | | 955,334 | | 955,334 |
| Total, Acquisition of Information Resource Technologies | $ | 8,703,711 | $ | 8,703,711 |
| Total, Capital Budget | $ | 8,703,711 | $ | 8,703,711 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 8,703,711 | $ | 8,703,711 |
| Subtotal, General Revenue Fund | $ | 8,703,711 | $ | 8,703,711 |
| Total, Method of Financing | $ | 8,703,711 | $ | 8,703,711 |

2. **Appropriation of Receipts.** The comptroller is hereby authorized to transfer appropriated funds and cash from the state agencies' funds and accounts to the Comptroller's Office to reimburse for the cost of mailing warrants and consolidating payments across agency and fund lines, making electronic transfers and data transmissions to financial institutions, vendors and associated activities. These, and all sums received in refund of postage, insurance, and shipping costs for the cigarette stamp program, are hereby appropriated to the Comptroller's Office.

3. **Support to the Board of Tax Professional Examiners.** It is the intent of the Legislature that the Comptroller of Public Accounts provide administrative support to the Board of Tax Professional Examiners, under interagency contract; such support to consist of the same levels of service and approximate costs as was provided to the Board of Tax Professional Examiners by the State Comptroller during the 2002–03 biennium.

4. **Employee Incentive Rider.** In addition to the existing authority and amounts related to employee compensation and benefits, the Comptroller of Public Accounts may expend amounts necessary from funds appropriated for the 2004–05 biennium for the purposes of enhancing compensation, providing incentives, or paying associated expenses for high performing employees within the Comptroller's Office.

5. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Comptroller of Public Accounts is hereby authorized to expend funds appropriated to the Comptroller of Public Accounts for the acquisition of capital budget items.

6. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Comptroller of Public Accounts is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation line items.

7. **Unexpended Balances Carried Forward Between Biennia.** All unexpended balances appropriated and/or allocated to the Comptroller of Public Accounts from the 2002–03 biennium due to efficiencies or other cost savings of the Comptroller are hereby appropriated for the 2004–05 biennium. The appropriations herein are for ensuring the continuation of high priority programs within the Comptroller's Office.

8. **Method of Finance, General Revenue.** There is included in the General Revenue appropriation made above to the Comptroller of Public Accounts, those amounts necessary for processing, auditing, enforcement and other purposes associated with the collection of motor fuels taxes. Pursuant to Article 8, § 7-a, of the Texas Constitution, 1 percent of the amounts of motor fuels taxes collected shall be deposited to the credit of the General Revenue Fund for costs incurred by the state in the collection of such taxes.

9. **Appropriation for Statutory Obligations.** The Comptroller of Public Accounts is hereby appropriated from Unclaimed Property Receipts all sums necessary to perform statutory obligations under §§ 74.201, 74.203, 74.601, and 74.602 of the Texas Property Code and to respond to public inquiries generated by the advertising program including, but not limited to,

the hiring of temporary employees. Such amounts shall not exceed the amount of money credited to Unclaimed Property Receipts from unclaimed property proceeds.

10. **Uniform Statewide Accounting and Payroll Services and Technology.** There is hereby appropriated to the Comptroller of Public Accounts all revenues received as a result of cost sharing arrangements with other state agencies, other governmental units, or non-government entities for software, technology, licensing arrangements, royalty receipts, or other charges or receipts from the sharing of technological or other information, expertise, services, or cooperative agreements of any kind. Such revenues shall be available to the Comptroller for the use of further enhancement of automation and technology services, computer services, and time.

11. **Unexpended Balances Between Fiscal Years Within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Comptroller of Public Accounts are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

12. **Texas School Performance Reviews.** In view of the cost savings and efficiency measures accruing to school districts from School Performance Reviews, the Comptroller may enter into interlocal cost sharing agreements with school districts where districts requesting review will be responsible for up to 25 percent of the cost of such performance reviews. The Comptroller of Public Accounts shall be solely responsible for the terms and conditions of the contracts and administration of the program. However, any such cost sharing contracts shall include the school as a third party. The financial responsibility of such schools shall be a direct obligation of the school to pay the vendor upon approval of the work product by the Comptroller.

13. **Comptroller Fiscal Oversight Responsibilities.** In order to clearly differentiate between core Comptroller functions and those functions which are for fiscal oversight or primary benefit to units of government, it is the intent of the Legislature that the Legislative Budget Board and the Governor shall work cooperatively with the Comptroller to determine appropriate activities which should be recorded under Fiscal Programs - Comptroller of Public Accounts for budget and spending purposes. Specific activities include contract activities where outside vendors perform services for the benefit of units of local government. Examples of such programs include School Performance reviews, and reviews of cities, counties, hospital districts, mass transit authorities, community colleges, or other entities where work is directed at reducing the cost of government. All such appropriate costs for the 2004–05 biennium shall be recorded under Fiscal Programs - Comptroller of Public Accounts.

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

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

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

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

15. **Reimbursement for Treasury Operations.** In accordance with § 404.071, Government Code, the Comptroller of Public Accounts shall determine the costs incurred in receiving, paying, accounting for, and investing money in funds and accounts which are entitled to receive temporary interest. An amount equal to these costs shall be deducted from the interest earned on such funds and accounts and is hereby appropriated for deposit into the General Revenue Fund.

16. **Texas Performance Review.** Included in amounts appropriated above to Strategy B.5.1, Fiscal Research and Studies, out of the General Revenue Fund is an estimated $2,535,013 in fiscal year 2004 and $2,535,013 in fiscal year 2005 for review of government operations through the Texas Performance Review.

17. **Economic Development Incentives Monitoring.** Out of funds appropriated above, the Comptroller of Public Accounts shall collect information regarding economic development incentives granted by state agencies and local governmental entities, including amount and form of each incentive, expected results, and any other relevant information to evaluate the overall effectiveness of each incentive. The comptroller shall prepare an annual report detailing the information collected pursuant to this rider.

18. **Performance Reviews of General Academic Teaching Institutions.** Out of the funds appropriated above in Strategy B.2.1, Texas School Performance Review, the Comptroller of Public Accounts, in conjunction with the Higher Education Coordinating Board, may conduct performance reviews of General Academic Teaching Institutions during the 2004–05 biennium. Performance evaluations shall, at a minimum, consist of a review of 1) fiscal and management operations; 2) student services; 3) curriculum; and 4) benchmarks with respect to peer institutions.

19. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for members of the Investment Advisory Board (established by Government Code § 404.028) and the Texas County Financial Data Advisory Committee (established by Local Government Code, Subchapter E, Chapter 114) are not subject to the limits of Article IX, General Appropriations Act and may be paid from any of the funds appropriated by this Act to the comptroller but those reimbursements may not exceed reasonable and necessary expenses actually incurred.

20. **Per Diem of Technical Advisory Committee Members.** Members of the property value study technical advisory committee may be paid a compensatory per diem and reimbursement for transportation expenses, meals, and lodging allowance at a rate not to exceed the amount established elsewhere in this Act for state board and commission members. The per diem and reimbursement shall be paid from funds appropriated above.

21. **Tax Amnesty Program.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, for a limited duration, a tax amnesty program under the authority of Tax Code, § 111.103, designed to encourage delinquent taxpayers to voluntarily report. Such a program should provide for the waiver of penalty or interest, or both, but shall not apply to a tax liability. It is the intent of the Legislature that this effort increase General Revenue Funds by at least $50 million over the Comptroller's January 2003 Biennial Revenue Estimate.

22. **Increased State Revenue.** Included in the amounts appropriated above is $46,679,076 for the biennium out of the General Revenue Fund for agency operations. The appropriation is

contingent upon the Comptroller's certification of available General Revenue of $63,755,000 for the biennium above the Biennial Revenue Estimate amounts.

23. **Improve Tax Compliance and Delinquent Revenue Collections.** Included in the amounts appropriated above, is $4,468,931 for the fiscal year beginning on September 1, 2003 and $4,468,931 for the fiscal year beginning on September 1, 2004 out of the General Revenue Fund for the purpose of implementing e-Texas recommendation GG-27, Improve Tax Compliance and Delinquent Revenue Collections with Additional Enforcement Coverage.

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

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

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

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

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

## FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** CPA - FISCAL PROGRAMS<br>Comptroller of Public Accounts - Fiscal Programs. | | |
| **A.1.1. Strategy:** VOTER REGISTRATION<br>For payment to each county for the total number of voters registered in the county as shown by certified statement submitted by the Registrar to the Secretary of State, as required by Election Code, Section 19.002. For payment to counties for voter registration. Estimated. | $ 3,000,000 | $ 500,000 |
| **A.1.2. Strategy:** MISCELLANEOUS CLAIMS<br>To complete the payment of state funds allocated for the Small Claims Program and for individuals wrongfully imprisoned by the State of Texas to entitled recipients in a timely manner pursuant to Government Code, Section 403.074. | $ 1,470,000 | $ 1,470,000 |
| **A.1.3. Strategy:** REIMBURSEMENT- COMMITMENT HEARINGS<br>For reimbursement of counties for the cost of commitment hearings required by the Persons | $ 4,000 | $ UB |

| | | | | |
|---|---|---|---|---|
| with Mental Retardation Act, Chapters 591 et. seq., Health and Safety Code. | | | | |
| **A.1.4. Strategy:** REIMBURSE - BEVERAGE TAX<br>For reimbursement of taxes received as authorized by Tax Code, Section 183.051(b). Payments to each eligible county and incorporated municipality shall be equal to 10.7143 percent of receipts from permittees within the county or incorporated municipality during the quarter. Estimated. | $ | 83,238,999 | $ | 83,989,000 |
| **A.1.5. Strategy:** TORT CLAIMS & FED. COURT JUDGMENTS<br>(1) Payments for settlements and judgments for claims against state agencies payable under Chapters 101 and 104, Civil Practice and Remedies Code, including indemnification for criminal prosecutions and Federal Court judgments and settlements shall be paid from special or local funds of the agency or institution to the extent available, and then from General Revenue. The Comptroller shall maintain records of General Revenue paid and require reimbursement from agencies as special or local funds become available. (2) Payments shall be made for eligible medical malpractice claims in conformance with Chapter 59, Education Code. (3) All claims shall be prepared, verified and signed by the Office of the Attorney General. | $ | 3,000,000 | $ | UB |
| **A.1.6. Strategy:** COUNTY TAXES - UNIVERSITY LANDS<br>For payment of taxes, for county purposes only, to counties in which are located endowment lands set aside to The University of Texas by the Constitution and the Act of 1883. Estimated. | $ | 1,250,000 | $ | 1,250,000 |
| **A.1.7. Strategy:** LATERAL ROAD FUND DISTRICT<br>For allocation of payment to each county for construction and maintenance of county roads. | $ | 7,300,000 | $ | 7,300,000 |
| **A.1.8. Strategy:** UNCLAIMED PROPERTY<br>To pay all legitimate claims for previously unclaimed property held by the state. Estimated. | $ | 60,000,000 | $ | 60,000,000 |
| **A.1.9. Strategy:** UNDERAGE TOBACCO PROGRAM<br>For allocation of grants to local law enforcement agencies for enforcing provisions of Health and Safety Code, Chapter 161, related to reducing minor access to and consumption of tobacco products. | $ | 1,500,000 | $ | 1,500,000 |
| **A.1.10. Strategy:** RANGER PENSIONS<br>To complete the payment of state funds allocated for the Ranger Pension Program to entitled recipients in a timely manner. The Comptroller is authorized to transfer sufficient cash into the Confederate Pension Fund from General Revenue to allow these payments. | $ | 4,640 | $ | 4,640 |
| **A.1.11. Strategy:** LOCAL CONTINUING EDUCATION GRANTS<br>Allocate funds credited to the Law Enforcement Officer Standards and Education Account for grants to local law enforcement agencies to | $ | 6,000,000 | $ | 6,000,000 |

| | | | | |
|---|---|---|---|---|
| provide continuing education for licensed peace officers, as required by Section 1701.157, Occupation Code. | | | | |
| **A.1.12. Strategy:** ADVANCED TAX COMPLIANCE | $ | 7,659,775 | $ | 7,659,775 |
| Developing, enhancing, maintaining, or expanding advanced database technology. | | | | |
| **A.1.13. Strategy:** EMISSIONS REDUCTION PLAN | $ | 2,140,200 | $ | 2,182,800 |
| **A.1.14. Strategy:** SUBSEQUENT CVC CLAIMS | $ | 30,000 | $ | 0 |
| To pay victims of crime who have not made a claim for restitution during the prescribed five year period pursuant to Government Code, Section 76.013(d). | | | | |
| **Total, Goal A:** CPA - FISCAL PROGRAMS | $ | 176,597,614 | $ | 171,856,215 |
| **B. Goal:** ENERGY OFFICE | | | | |
| To develop and administer cost-effective programs that promote energy efficiency, preserve the environment, and protect the public health and safety through grants, loans and public awareness. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of ISDs Which Participate in SECO Local Government Energy Programs | | 17% | | 20% |
| **B.1.1. Strategy:** ENERGY OFFICE | $ | 2,015,683 | $ | 2,015,683 |
| Promote and manage the LoanSTAR Program, contract services delivery, partnerships for improved energy education and energy efficient housing. | | | | |
| **Output (Volume):** | | | | |
| Energy Dollars Saved by LoanSTAR Projects (In Millions) | | 12 | | 15 |
| **B.1.2. Strategy:** OIL OVERCHARGE SETTLEMENT FUNDS | $ | 43,862,103 | $ | 9,333,279 |
| **Total, Goal B:** ENERGY OFFICE | $ | 45,877,786 | $ | 11,348,962 |
| **Grand Total,** FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS | $ | 222,475,400 | $ | 183,205,177 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 168,958,014 | $ | 164,204,015 |
| General Revenue Fund - Dedicated | | | | |
| Law Enforcement Officer Standards and Education Account No. 116 | | 6,000,000 | | 6,000,000 |
| Compensation to Victims of Crime Auxiliary Account No. 494 | | 30,000 | | 0 |
| Oil Overcharge Account No. 5005 | | 44,421,765 | | 9,892,941 |
| Texas Emissions Reduction Plan Account No. 5071 | | 2,140,200 | | 2,182,800 |
| Subtotal, General Revenue Fund - Dedicated | $ | 52,591,965 | $ | 18,075,741 |
| Federal Funds | | 925,421 | | 925,421 |
| **Total, Method of Financing** | $ | 222,475,400 | $ | 183,205,177 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 25.0 | | 25.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,155,871 | $ | 1,155,871 |
| Other Personnel Costs | | 32,760 | | 32,760 |
| Professional Fees and Services | | 6,785,515 | | 6,785,515 |
| Utilities | | 771,355 | | 771,355 |

| | | |
|---|---|---|
| Travel | 39,017 | 39,017 |
| Rent - Building | 880 | 880 |
| Rent - Machine and Other | 4,981 | 4,981 |
| Other Operating Expense | 64,710,934 | 61,676,934 |
| Client Services | 440,588 | 440,588 |
| Grants | 148,533,499 | 112,297,276 |
| **Total, Object-of-Expense Informational Listing** | $ 222,475,400 | $ 183,205,177 |

1. **Appropriation from the Compensation to Victims of Crime Auxiliary Fund.** Included in amounts appropriated above in Strategy A.1.14, Subsequent CVC Claims, are estimated balances on hand and revenues received by the Comptroller from departments under Government Code § 76.013 (estimated to be $30,000 for the biennium), for crime victims who have not made a claim for restitution during the prescribed five year period and who make a subsequent claim. The Comptroller shall pay a victim making such claim the amount of the original payment, less the collection fee, from the Compensation to Victims of Crime Auxiliary Fund No. 494 pursuant to Government Code § 76.013(d).

2. **Appropriation, Payment of Miscellaneous Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay small miscellaneous claims in accordance with and subject to the limitations of Strategy A.1.2, Miscellaneous Claims, above.

3. **Appropriation, Payment of Tort Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay claims, judgments, and settlements in accordance with and subject to the limitations in Parts 1 and 3 of Strategy A.1.5, Tort Claims and Federal Court Judgments, above.

4. **Limitation, Payment of Tort Claims.** The expenditures authorized in Part 1 of Strategy A.1.5, Tort Claims and Federal Court Judgements Claims, are hereby limited to those claims identified in Part 1 where the settlement or judgement amount exceeds the amount authorized by Article IX, Judgements, of this Act to be paid out of appropriations made to the involved agency elsewhere in this Act. The limitation established by this provision shall not apply in those cases where the judgement order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995.

5. **International Fuel Tax Agreement.** Out of amounts collected as a result of the administration of Chapter 153, Tax Code, the Comptroller shall determine the amounts due other jurisdictions as reflected by motor fuels reports and other information available pursuant to an International Fuel Tax Agreement or otherwise subject to refund. Such amounts are hereby appropriated and may be segregated as necessary for remittance to other jurisdictions and for refunds as provided by law. Fees and costs associated with an International Fuel Tax Agreement may be paid from the interest earnings on amounts due other jurisdictions or subject to refund. The Comptroller may estimate the amounts due other jurisdictions or subject to refund out of amounts collected as a result of the administration of Chapter 153, Tax Code, and may segregate such funds as necessary for administration of the agreement.

6. **Appropriation of Tax and Revenue Anticipation Note Fund.** There is hereby appropriated to the Comptroller of Public Accounts all money deposited in the tax and revenue anticipation note fund for the purposes of paying principal of, premium (if any), interest on, and costs of issuance relating to tax and revenue anticipation notes issued during the biennium. To the extent that money deposited into the tax and revenue anticipation note fund is insufficient to pay the principal of, premium (if any), interest on, and costs of issuance relating to notes, there

is hereby appropriated to the Comptroller of Public Accounts from the General Revenue Fund amounts necessary for the full repayment of all principal of, premium (if any) and interest on any notes issued during the biennium.

7. **Advanced Tax Compliance and Debt Collections.** To the extent that the Comptroller contracts with persons or entities to provide information, services, or technology or expands and/or enhances the technology to aid in the advanced collections of debts, taxes, or other property due to or belonging to the State of Texas pursuant to Government Code, §§ 403.019, 403.0195 or Tax Code § 111.0035 or § 111.0036, all sums necessary to pay contract, maintenance, and other expenses connected with the collections, including any administrative costs of the Comptroller directly associated with the collections program are hereby appropriated to the Comptroller from collection proceeds. The balance of collection proceeds shall be transferred to the General Revenue Fund or to any dedicated or special funds or accounts to which the collection proceeds may belong.

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

8. **Investment Fund Management.** Consistent with the Comptroller's responsibility for investing Tobacco Settlement funds and the Higher Education Fund, as much of the investment earnings as necessary up to a maximum of 50 basis points of the average fund balance for funds managed by external fund managers and 20 basis points for internally managed funds are hereby appropriated each year of the biennium to the fiscal agency operation of the Comptroller's Office to pay the expenditures related to these investment activities. The total appropriated amount shall not exceed $10 million per fiscal year of the biennium. The Comptroller shall prepare an annual report detailing the expenditures made in connection with each fund for investment activities.

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

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

   State Energy Conservation Office Programs:

| | 2004 | 2005 |
|---|---|---|
| Schools/Local Government Program | $112,500 & UB | $125,000 & UB |
| State Agencies/Higher Education Program | $112,500 & UB | $125,000 & UB |

| | | |
|---|---|---|
| Renewable Energy Program | $112,500 & UB | $125,000 & UB |
| Housing Partnership | $112,500 & UB | $125,000 & UB |
| Transportation Energy Program | $112,500 & UB | $125,000 & UB |
| Alternative Fuels Program | $112,500 & UB | $125,000 & UB |

Funds de-obligated from contracts within the above programs shall remain within the program. State Energy Program Administration funds are appropriated in Strategy B1.1., Energy Office.

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

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

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

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

11. **Appropriation of Tax Refunds.** As much of the respective taxes, fees, and charges, including penalties or other financial transactions administered or collected by the Comptroller as may be necessary is hereby appropriated and set aside to pay refunds, interest, and any costs and attorney fees awarded in court cases, as provided by law, subject to the following limitations and conditions:

    a. Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated herein may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the State was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was

collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, shall not be eligible to receive payment of a refund under this provision.

b. As a specific limitation to the amount of refunds paid from funds appropriated in this Act during the 2004–05 biennium, the Comptroller shall not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller of Public Accounts used for certification of this Act. Any claim or portion of a claim which is in excess of this limitation shall be presented to the next legislature for a specific appropriation in order for payment to be made. This limitation shall not apply to any taxes or fees paid under protest.

12. **Appropriation of Hotel/Motel Taxes.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of hotel taxes collected under Chapter 156, Tax Code, amounts necessary to pay percentages to eligible coastal municipalities as calculated pursuant to §156.2511, Tax Code.

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

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

| | For the Years Ending August 31, 2004 | August 31, 2005 |
|---|---|---|
| **A.Goal:** Social Security Contributions/Benefit Replacement Pay | | |
| **A.1.1. Strategy:** State Match-Employer Provide an employer match for Social Security Contributions. Estimated. | $ 570,363,223 | $ 577,660,986 |
| **A.1.2. Strategy:** Benefit Replacement Pay Provide Benefit Replacement Pay to eligible Employees. Estimated. | 71,667,689 | 68,012,636 |
| **Total, Goal A:** Social Security Contributions/ Benefit Replacement Pay | $ 642,030,912 | $ 645,673,622 |
| **Method of Financing:** | | |
| General Revenue, Estimated | $ 411,792,354 | $ 414,414,417 |
| General Revenue-Dedicated, Estimated | 61,803,410 | 62,552,339 |
| State Highway Fund No. 6, Estimated | 71,201,799 | 71,199,590 |
| Federal Funds, Estimated | 87,913,900 | 88,078,479 |
| Other Special State Funds, Estimated | 9,319,449 | 9,428,797 |
| **Total, Method of Financing** | $ 642,030,912 | $ 645,673,622 |

## INFORMATIONAL LISTING OF FUNDS APPROPRIATED TO THE COMPTROLLER FOR SOCIAL SECURITY CONTRIBUTIONS AND BENEFIT REPLACEMENT PAY
(Continued)

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

## COMMISSION ON STATE EMERGENCY COMMUNICATIONS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** STATEWIDE 9-1-1 SERVICES | | |
| Planning, development, provision and enhancement of the effectiveness of 9-1-1 service. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Time Wireline ALI System is Operational | 100% | 100% |
| **A.1.1. Strategy:** 9-1-1 EMERGENCY COMMUNICATIONS | $ 39,137,388 | $ 39,157,061 |
| Contract with regional planning commissions (RPCs) for the efficient operation of the state 9-1-1 emergency telecommunication system. | | |
| **Output (Volume):** | | |
| Number of Public Safety Answering Points with Wireless Automatic Number Identification (ANI) | 354 | 354 |
| Number of 9-1-1 Calls Received by State Program Public Safety Answering Points (PSAPs) | 4,955,966 | 5,055,085 |
| **B. Goal:** POISON CONTROL NETWORK | | |
| Maintain a high quality poison control network in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Time Poison Control Network is Operational | 100% | 100% |
| **B.1.1. Strategy:** POISON CONTROL NETWORK | $ 7,355,198 | $ 7,355,197 |
| Contract with the Department of Information Resources (DIR), Texas Department of Health (TDH), the six designated poison centers, and other service providers for operation and maintenance of the state poison control telecommunications system. | | |
| **Output (Volume):** | | |
| Total Number of Poison Control Calls Processed | 255,200 | 255,200 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 199,828 | $ 199,828 |
| **Grand Total,** COMMISSION ON STATE EMERGENCY COMMUNICATIONS | $ 46,692,414 | $ 46,712,086 |
| **Method of Financing:** | | |
| GR Dedicated - Advisory Commission on Emergency Communications Account No. 5007 | $ 10,781,623 | $ 10,781,622 |
| GR Dedicated - 911 Service Fees Account No. 5050 | 35,910,791 | 35,930,464 |
| **Total, Method of Financing** | $ 46,692,414 | $ 46,712,086 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 25.0 | 25.0 |

## COMMISSION ON STATE EMERGENCY COMMUNICATIONS
(Continued)

| | | |
|---|---|---|
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 2 | $75,000 | $75,000 |
| Per Diem of Commission Members | 4,300 | 4,300 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,229,931 | $ 1,250,840 |
| Other Personnel Costs | 17,565 | 17,565 |
| Professional Fees and Services | 281,000 | 281,000 |
| Consumable Supplies | 10,750 | 10,750 |
| Utilities | 292,000 | 292,000 |
| Travel | 49,350 | 49,350 |
| Rent - Building | 4,800 | 4,800 |
| Rent - Machine and Other | 11,000 | 11,000 |
| Other Operating Expense | 650,441 | 650,957 |
| Grants | 44,130,577 | 44,128,824 |
| Capital Expenditures | 15,000 | 15,000 |
| **Total, Object-of-Expense Informational Listing** | $ 46,692,414 | $ 46,712,086 |

1. **Appropriation, 9-1-1 Service Fees Account.** Included in amounts appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, is $35,910,791 in fiscal year 2004 and $35,930,464 fiscal year 2005 from General Revenue–Dedicated Account No. 5050, 9-1-1 Service Fees for payments to regional councils of government for 9-1-1 service contracts. It is the intent of the Legislature that before the Commission on State Emergency Communications makes a contract payment to a regional council of government from the 9-1-1 Service Fees Account for 9-1-1 service contracts, the Commission ensures that the regional council of government has spent all balances and interest earned from emergency service fees for landline and wireless telecommunication services billed prior to August 31, 1999 and held outside the State Treasury, and any unexpended balances in funds reserved to replace 9-1-1 capital equipment remaining after acquisition of equipment scheduled for replacement during the 2004–05 biennium.

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

2. **Capital Replacement.** None of the funds appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, may be used to replace or fund a reserve for future replacement of 9-1-1 capital equipment.

3. **Councils of Government.** Included in amounts appropriated above in Strategy A.1.1, 9-1-1 Emergency Communications is $15,000,000 for the biennium to be distributed to the regional councils of government for administration of the statewide 9-1-1 program. It is the intent of the Legislature that during the 2004-05 biennium no more than $15,000,000 be allocated to the regional councils of government for administration of the statewide 9-1-1 program.

4. **Acquisition of Poison Control Center Wide Area Network.** It is the intent of the Legislature that the Commission on State Emergency Communications actively seeks federal grant funds to implement a data-based, wide area network linking together the state's six poison control centers in order to share patient exposure and treatment information. Further, it is the intent of the

Legislature that acquisition of the wide area network be made in compliance with provisions established by Article IX, § 6.17, Limitation on Expenditures-Capital Budget, and Article IX, § 9.01, Purchases of Information Resource Technologies and Article IX, § 9.02, Quality Assurance Review of Major Information Resource Projects, if applicable.

## EMPLOYEES RETIREMENT SYSTEM

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

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ADMINISTER RETIREMENT PROGRAM<br>To administer comprehensive and actuarially sound retirement programs. | | |
| **Outcome (Results/Impact):**<br>Percent of ERS Retirees Expressing Satisfaction with Member Benefit Services | 97% | 97% |
| **A.1.1. Strategy:** ERS RETIREMENT<br>Provide an actuarially sound level of retirement funding as defined by state law. Estimated. | $ 294,254,141 | $ 272,430,731 |
| **Output (Volume):**<br>Number of Member Accounts Maintained | 203,354 | 205,387 |
| **Efficiencies:**<br>Average Number of Days to Provide ERS Retirement Packets | 4.5 | 4.5 |
| **A.1.2. Strategy:** JUDICIAL RETIREMENT SYSTEM - PLAN 2<br>Maintain an actuarially sound retirement program for state judicial officers. Estimated | $ 8,472,474 | $ 8,797,681 |

| | | |
|---|---|---|
| **A.1.3. Strategy:** JUDICIAL RETIREMENT SYSTEM - PLAN 1<br>Provide for the payment of JRS-1 benefits and membership refunds as required by law. Estimated. | $ 22,638,168 | $ 22,998,459 |
| **A.1.4. Strategy:** PUBLIC SAFETY BENEFITS<br>Administer the payment of benefits to beneficiaries of certain law enforcement officers, firefighters, and emergency medical technicians killed in the line of duty as required by Chapter 615, Government Code. Estimated. | $ 5,479,902 | $ 5,479,902 |
| **A.1.5. Strategy:** RETIREE DEATH BENEFITS<br>Provide lump-sum death benefits under § 814.501, Government Code. Estimated. | $ 6,508,651 | $ 6,556,164 |
| **Total, Goal A:** ADMINISTER RETIREMENT PROGRAM | $ 337,353,336 | $ 316,262,937 |
| **B. Goal:** PROVIDE HEALTH PROGRAM<br>To provide employees, retirees, and dependents with a comprehensive, quality health program. | | |
| **Outcome (Results/Impact):** | | |
| Percent of HealthSelect Participants Satisfied with Network Services | 70% | 70% |
| **B.1.1. Strategy:** UGIP - GENERAL STATE EMPLOYEES<br>Provide a basic health care and life insurance program for general state employees, retirees, and their dependents. Estimated | $ 838,505,004 | $ 848,658,150 |
| **Efficiencies:** | | |
| Percent of Claims Processed within Thirty Days | 98% | 98% |
| Total Cost Paid per HealthSelect Member for Administration and Claims Processing | $ 23.30 | $ 24.00 |
| **Grand Total**, EMPLOYEES RETIREMENT SYSTEM | $ 1,175,858,340 | $ 1,164,921,087 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 682,587,023 | $ 675,285,348 |
| General Revenue Fund - Dedicated, estimated | 59,758,124 | 58,765,061 |
| State Highway Fund No. 006, estimated | 198,766,744 | 197,920,705 |
| Federal Funds, estimated | 228,311,248 | 226,643,598 |
| Other Special State Funds, estimated | 6,435,201 | 6,306,375 |
| **Total, Method of Financing** | $ 1,175,858,340 | $ 1,164,921,087 |
| **Number of Full-Time Equivalent Positions (FTE):** | 305.0 | 305.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director | $ 180,000 | $ 180,000 |

2. **Updated Actuarial Valuation.** The Employees Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Employees Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the Retirement System.

3. **State Contribution to Employees Retirement Program.** The amount specified above in A.1.1, ERS - Retirement, is based on a state contribution of 6.0 percent of payroll, including annual membership fees of $3 for contributing members for each fiscal year.

4. **State Contribution to Judicial Retirement Program (JRS-2).** The amount specified above in A.1.2, Judicial Retirement System - Plan 2, is based on a state contribution of 16.83 percent of payroll for contributing members for each fiscal year.

5. **State Contribution to Group Insurance for General State Employees.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees;

   b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children; and

   c. the additional cost of providing a premium structure comparable to the Children's Health Insurance Program (CHIP) for dependent children of state employees enrolled in the State Kids Insurance Program (SKIP).

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

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

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

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

   In order to fund the Employees Retirement System (ERS) projected health plan costs for the 2004–05 biennium, the Legislature directs the Employees Retirement System to reduce total health plan costs through benefit design changes made by the Employees Retirement System. It is the intent of the Legislature that the Employees Retirement System achieve this reduction, to the extent possible, with the least impact on participants. If more aggressive provider contracting and other cost-effective management practices result in the actual costs of the program being less than projected for the 2004-05 biennium, the Employees Retirement System should consider restoring health program benefit reductions to the extent possible.

6. **Administrative Cost Provision.** Funds identified above in A.1.3, Judicial Retirement System - Plan 1, include $120,000 in each fiscal year to reimburse the Employees Retirement System for the cost of administering the Judicial Retirement Plan 1.

7. **Administrative Cost Provision.** Funds identified above in A.1.4, Public Safety Benefits, include $28,000 in each fiscal year to reimburse the Employees Retirement System for the cost of administering the death benefits program for public safety personnel.

8. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Employees Retirement System all funds transferred or deposited into the Excess Benefit Arrangement

Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Government Code § 815.5072.

9. **Transfer of Retirement Contributions and Group Insurance.** Appropriations made in this and other articles of this Act for Retirement and Group Insurance contributions shall be transferred by each agency from the Employees Retirement System to the agency based on estimated amounts by funding source for each fiscal year. Transfers should be made no later than September 15 of the year in which the payments are to be made. Adjustments and return of excess appropriation authority to the Employees Retirement System shall be completed by October 30 of the subsequent fiscal year.

10. **Delay of ERS State Contribution.** Pursuant to legislation delaying the payment of state contributions for the last month of fiscal year 2005 to the State Employee Retirement System Trust Fund for the Employee Retirement System (ERS), appropriations identified above and appropriated elsewhere in this Act for retirement contributions in fiscal year 2005 are based on the Comptroller allocating the last monthly state contribution for the 2004–05 biennium to the trust fund for the Employee Retirement System of Texas in fiscal year 2006.

## TEXAS ETHICS COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INFORMATION ON GOVERNMENT<br>To increase the public's ability to access information about public officials, candidates for public office, and persons attempting to influence public officials and to assist people in understanding their responsibilities under the laws administered by the Commission, thereby enhancing the potential for individual participation in government. | | |
| **Outcome (Results/Impact):**<br>Percent of Advisory Opinion Requests Answered by Commission within 90 Working Days of Receipt | 98% | 98% |
| **A.1.1. Strategy:** INFORMATION FILING<br>Serve as the repository for information required to be filed with the Commission and assist persons in accessing that information. | $ 468,470 | $ 549,270 |
| **Output (Volume):**<br>Number of Reports Logged within Two Working Days of Receipt | 24,000 | 24,000 |
| **A.1.2. Strategy:** ADVISORY OPINIONS<br>Aid the public and those subject to the laws administered and enforced by the Commission in complying with and understanding those laws by responding quickly, accurately, and impartially to advisory opinion requests. | $ 240,766 | $ 240,766 |
| **Efficiencies:**<br>Average Time (Working Days) to Answer Advisory Opinion Requests | 90 | 90 |
| **A.1.3. Strategy:** ENFORCEMENT<br>Enforce compliance with laws administered by the Ethics Commission by responding quickly and impartially to sworn complaints, by performing investigations where advisable, and by assessing penalties for late reports. | $ 364,706 | $ 364,706 |
| **Output (Volume):**<br>Number of Sworn Complaints Processed | 120 | 120 |
| **Efficiencies:**<br>Average Time (Working Days) to Respond to Sworn Complaints | 7 | 7 |

| | | | | |
|---|---|---|---|---|
| **A.2.1. Strategy:** ETHICS EDUCATION PROGRAM<br>To educate the public, state employees and those subject to the laws administered and enforced by the Commission by responding to requests for information about the application of ethics laws, by making public presentations, by prescribing clear reporting forms and guidelines, and by making educational materials broadly available. | $ | 38,404 | $ | 38,404 |
| **Total, Goal A:** INFORMATION ON GOVERNMENT | $ | 1,112,346 | $ | 1,193,146 |
| **B. Goal:** INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 803,694 | $ | 722,894 |
| **Grand Total,** TEXAS ETHICS COMMISSION | $ | 1,916,040 | $ | 1,916,040 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,891,040 | $ | 1,891,040 |
| Appropriated Receipts | | 25,000 | | 25,000 |
| **Total, Method of Financing** | $ | 1,916,040 | $ | 1,916,040 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 35.0 | | 35.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $97,000 | | $97,000 |
| General Counsel | | 88,000 | | 88,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,557,596 | $ | 1,557,596 |
| Other Personnel Costs | | 21,600 | | 21,600 |
| Consumable Supplies | | 10,700 | | 10,700 |
| Utilities | | 34,000 | | 34,000 |
| Travel | | 12,000 | | 12,000 |
| Rent - Building | | 5,300 | | 5,300 |
| Rent - Machine and Other | | 52,219 | | 52,219 |
| Other Operating Expense | | 116,825 | | 222,625 |
| Capital Expenditures | | 105,800 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,916,040 | $ | 1,916,040 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Computer hardware & software | $ | 25,000 | $ | 0 |
| (2) Personal Computer Replacement | | 55,800 | | 0 |
| Total, Capital Budget | $ | 80,800 | $ | 0 |

# PUBLIC FINANCE AUTHORITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide financing for capital projects and equipment, as authorized by the Legislature, for client agencies to assist them in meeting their goals while ensuring those issuances are accomplished cost effectively and the resulting obligations are monitored and managed in the most efficient manner possible. | | |
| **A.1.1. Strategy:** PROCESS AND REVIEW APPLICATIONS | $ 382,245 | $ 382,188 & UB |
| Process and review applications for debt financing submitted by client agencies and maintain cost control for cost-effective issuance. | | |
| **Output (Volume):** | | |
| Number of Requests for Financing Approved | 10 | 3 |
| **A.2.1. Strategy:** MANAGE BOND PROCEEDS | $ 385,698 | $ 385,612 & UB |
| Manage bond proceeds and monitor covenants to ensure compliance. | | |
| **Output (Volume):** | | |
| Number of Financial Transactions Including Debt Service Payments | 4,000 | 4,000 |
| **A.2.2. Strategy:** BOND DEBT SERVICE PAYMENTS | $ | $ |
| Make general obligation bond debt service payments on time. | | |
| **Total, Goal A:** FINANCE CAPITAL PROJECTS | $ 767,943 | $ 767,800 |
| **Grand Total,** PUBLIC FINANCE AUTHORITY | $ 767,943 | $ 767,800 |
| **Method of Financing:** | | |
| General Revenue Fund | | |
| General Revenue Fund | $ 505,080 | $ 505,080 |
| Subtotal, General Revenue Fund | $ 505,080 | $ 505,080 |
| General Revenue Fund - Dedicated | | |
| Subtotal, General Revenue Fund - Dedicated | $ 0 | $ 0 |
| Other Funds | | |
| Appropriated Receipts | 262,863 | 262,720 |
| Subtotal, Other Funds | $ 262,863 | $ 262,720 |
| **Total, Method of Financing** | $ 767,943 | $ 767,800 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 15.0 | 15.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 4 | $95,000 | $95,000 |

## PUBLIC FINANCE AUTHORITY
(Continued)

| **Object-of-Expense Informational Listing:** | | |
|---|---|---|
| Salaries and Wages | $ 679,457 | $ 679,456 |
| Other Personnel Costs | 12,300 | 12,500 |
| Professional Fees and Services | 28,002 | 27,752 |
| Consumable Supplies | 3,340 | 3,340 |
| Utilities | 130 | 130 |
| Travel | 19,320 | 19,320 |
| Rent - Building | 200 | 200 |
| Rent - Machine and Other | 3,451 | 3,451 |
| Other Operating Expense | 21,743 | 21,651 |
| **Total, Object-of-Expense Informational Listing** | $ 767,943 | $ 767,800 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Strategy A.2.2, Bond Debt Service Payments | $ 256,788,546 | $ 272,635,704 & UB |
| **Method of Financing:** | | |
| General Revenue | $ 249,505,269 | $ 265,447,745 |
| Federal Funds | $ 2,362,984 | $ 2,361,154 |
| Other Funds | | |
| Current Fund Balance | $ 4,466,443 | $ 4,372,715 |
| MHMR Patient Collections No. 8031 | 232,081 | 232,290 |
| MHMR Appropriated Receipts No. 8033 | 32,767 | 32,786 |
| MHMR Medicare Receipts No. 8034 | 189,002 | 189,014 |
| Subtotal, Other Funds | $ 4,920,293 | $ 4,826,805 |
| Total, Method of Financing Bond Debt Service | $ 256,788,546 | $ 272,635,704 & UB |

2. **Appropriation and Transfer Authority of Interest and Sinking Funds for General Obligation Bond Debt Service Payments.** Prior to the expenditure of funds appropriated out of the General Revenue Fund to pay debt service on general obligation bonds, the Public Finance Authority shall utilize any balances available in interest and sinking funds for said purpose. The authority is hereby appropriated all amounts available in interest and sinking funds, including any unexpended balances in these funds for the purpose of paying debt service on general obligation bonds.

   In compliance with the bond resolutions and funds management agreements between the Texas Public Finance Authority and the Comptroller of Public Accounts, the Texas Public Finance Authority is hereby authorized to transfer funds, appropriated for bond debt service, into the appropriate interest and sinking funds in amounts as necessary for the payment of principal and

interest due on general obligation bonds. Such transfers shall be made no sooner than the day that bond debt service is required to be delivered in accordance with the bond resolutions and funds management agreements. The Texas Public Finance Authority is also authorized to transfer funds appropriated for general obligation bond debt service to the interest and sinking fund(s) to pay ongoing costs associated with the General Obligation Commercial Paper Program.

3. **Appropriation and Transfer Authority for Revenue Bond Lease Payments.** Balances in and revenues accruing to the State Lease Fund Account and the Texas Public Finance Authority revenue bond interest and sinking fund(s) are hereby appropriated to the Texas Public Finance Authority for bond servicing costs on revenue bonds. Bond servicing costs shall include such costs as debt service payments, insurance premiums, paying agent fees, and other costs associated with the outstanding bonds.

   The Texas Public Finance Authority is hereby authorized to transfer such amounts as necessary for the payment of bond servicing costs from the State Lease Fund Account to the Texas Public Finance Authority interest and sinking fund(s) or other debt service funds.

4. **Appropriation and Transfer Authority for Master Lease Purchase Program Payments and Administrative Fees.** The Texas Public Finance Authority is hereby appropriated balances held in and revenues accruing to the State Lease Fund Account and Texas Public Finance Authority Master Lease Purchase Program interest and sinking fund(s) for the purpose of making debt service and other payments in accordance with applicable laws, rules and covenants pertaining to the Master Lease Purchase Program. Unexpended balances in and revenues accruing to the Texas Public Finance Authority Master Lease Purchase Program funds and cost of issuance fund(s) in excess of those appropriated in the Method of Financing are hereby appropriated to the Texas Public Finance Authority for administrative costs in operating the Master Lease Purchase Program.

   The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance fund(s) and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments shall not be made earlier than fifteen days prior to the date that the debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking fund(s).

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

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

## PUBLIC FINANCE AUTHORITY
(Continued)

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

## FIRE FIGHTERS' PENSION COMMISSIONER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOUND PENSION FUNDS | | |
| To ensure that pension funds for emergency services personnel are actuarially sound and that their members receive the benefits to which they are entitled. | | |
| **Outcome (Results/Impact):** | | |
| Period to Amortize the Unfunded Actuarial Accrued Liability | 40 | 40 |
| **A.1.1. Strategy:** ADMINISTER PENSION FUND | $ 330,543 | $ 337,350 |
| Administer a pension fund for emergency services personnel by receiving contributions from governing entities; investing surplus funds; servicing member database; and providing services and benefit payments to members and their dependents. | | |
| **Output (Volume):** | | |
| Number of Retirement Payments Distributed | 27,202 | 28,005 |
| **Efficiencies:** | | |
| Average Annual Administrative Cost Per Pension Plan Member | 80 | 75 |
| **A.2.1. Strategy:** ASSISTANCE & EDUCATION | $ 133,250 | $ 133,250 |
| Reconcile annual reports, confirm benefit determinations and refunds of contributions; interpret governing statues and provide technical assistance; conduct educational seminars for pension board members and fund administrators; and distribute educational materials. | | |
| **Output (Volume):** | | |
| Number of Benefit Determinations for Local Funds | 250 | 250 |
| Number of Continuing Education Units Issued | 1,000 | 1,000 |
| **Efficiencies:** | | |
| Average Time (Days) to Respond to Inquiries from Local Board Members | 1 | 1 |
| **Total, Goal A:** SOUND PENSION FUNDS | $ 463,793 | $ 470,600 |
| **Grand Total,** FIRE FIGHTERS' PENSION COMMISSIONER | $ 463,793 | $ 470,600 |

## FIRE FIGHTERS' PENSION COMMISSIONER
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 98,250 | $ | 98,250 |
| Other Funds | | | | |
| Appropriated Receipts | | 35,000 | | 35,000 |
| Statewide Emergency Services Personnel Retirement Trust Fund No. 976 | | 330,543 | | 337,350 |
| Subtotal, Other Funds | $ | 365,543 | $ | 372,350 |
| **Total, Method of Financing** | $ | 463,793 | $ | 470,600 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 8.0 | | 8.0 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 1 | | $57,000 | | $57,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 333,281 | $ | 338,947 |
| Other Personnel Costs | | 4,300 | | 5,000 |
| Professional Fees and Services | | 56,500 | | 57,500 |
| Consumable Supplies | | 12,000 | | 10,703 |
| Travel | | 8,250 | | 8,000 |
| Rent - Machine and Other | | 22,750 | | 23,250 |
| Other Operating Expense | | 26,712 | | 27,200 |
| **Total, Object-of-Expense Informational Listing** | $ | 463,793 | $ | 470,600 |

# OFFICE OF THE GOVERNOR

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** GOVERN THE STATE | | |
| Formulation of balanced state policies. | | |
| **A.1.1. Strategy:** SUPPORT GOVERNOR & STATE | $ 5,443,873 | $ 4,552,071 |
| Provide support to Governor and state agencies. | | |
| **A.1.2. Strategy:** APPOINTMENTS | $ 810,773 | $ 818,774 |
| Develop and maintain system of recruiting, screening, and training. | | |
| **A.1.3. Strategy:** COMMUNICATIONS | $ 2,648,356 | $ 2,672,462 |
| Maintain open, active and comprehensive communications, scheduling and correspondence functions. | | |
| **A.1.4. Strategy:** GOVERNOR'S MANSION | $ 209,692 | $ 219,388 |
| Maintain and preserve Governor's Mansion. | | |
| **Total, Goal A:** GOVERN THE STATE | $ 9,112,694 | $ 8,262,695 |
| **Grand Total,** OFFICE OF THE GOVERNOR | $ 9,112,694 | $ 8,262,695 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 8,759,694 | $ 7,909,695 |
| Other Funds | | |
| Appropriated Receipts | 5,500 | 5,500 |
| Interagency Contracts | 347,500 | 347,500 |
| Subtotal, Other Funds | $ 353,000 | $ 353,000 |
| **Total, Method of Financing** | $ 9,112,694 | $ 8,262,695 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 137.4 | 137.4 |
| **Schedule of Exempt Positions:** | | |
| Governor, Group 5 | $115,345 | $115,345 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 7,041,000 | $ 7,041,396 |
| Other Personnel Costs | 83,493 | 88,312 |
| Professional Fees and Services | 171,676 | 170,410 |
| Fuels and Lubricants | 380 | 377 |
| Consumable Supplies | 66,846 | 77,496 |
| Utilities | 51,681 | 51,542 |
| Travel | 116,077 | 97,816 |
| Rent - Building | 33,335 | 33,074 |
| Rent - Machine and Other | 115,043 | 119,773 |

## OFFICE OF THE GOVERNOR
(Continued)

| | | | | |
|---|---|---|---|---|
| Other Operating Expense | | 1,425,553 | | 574,949 |
| Capital Expenditures | | 7,610 | | 7,550 |
| **Total, Object-of-Expense Informational Listing** | $ | 9,112,694 | $ | 8,262,695 |

1. **Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Office of the Governor are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

2. **Designation of Exempt Positions.** Pursuant to the provisions of this Act and other state and federal legislation, and notwithstanding restrictions in this Act relative to the authority of the Governor to exempt positions from the Position Classification Act of 1961, the Governor may designate the title and compensation rate of exempt positions to be used by the Office of the Governor.

3. **Governor's Salary.** The salary provided by this Act for the Governor is an annual salary and is not reduced during the Governor's absence from the state.

4. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Office of the Governor is hereby authorized to direct agency resources, and transfer such amounts appropriated above between appropriation items. The Governor may transfer appropriations and FTEs within the Office of the Governor and for Trusteed Programs, and may assign appropriations and the corresponding FTEs for Trusteed Programs to other agencies.

5. **Unexpended Balances Between Biennia.** Included in amounts appropriated above are unexpended balances as of August 31, 2003 in appropriations made to the Office of the Governor, including appropriations for Trusteed Programs, not to exceed $850,000 for the Office of the Governor for the biennium beginning September 1, 2003.

6. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Office of the Governor is hereby authorized to expend funds appropriated to the Office of the Governor, and the Trusteed Programs within the Office of the Governor for the acquisition of capital budget items.

7. **Advisory Committee Reimbursement.** Notwithstanding any other provisions in this Act, the Governor may authorize the reimbursement of advisory committee members for travel and lodging expenses incurred when performing state business.

## TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** PROGRAMS ASSIGNED | | | | |
| Administer programs assigned to the Governor. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of CJD Grants Complying with CJD Guidelines | | 98% | | 98% |
| Estimated Production Budgets of Films and Television Projects Made in Texas (in Millions) | | 270 | | 270 |
| Percent of Offenders Re-adjudicated/Convicted - Project Spotlight | | 8% | | 8% |
| **A.1.1. Strategy:** AGENCY GRANT ASSISTANCE | $ | 4,500,000 | $ | 2,539,871 |

## TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

| | | | | |
|---|---|---|---|---|
| Provide emergency and deficiency grants to state agencies. | | | | |
| **A.1.2. Strategy:** DISASTER FUNDS | $ | 7,000,000 | $ | UB |
| Provide disaster funding. | | | | |
| **A.1.3. Strategy:** CRIMINAL JUSTICE | $ | 131,048,295 | $ | 130,568,465 |
| Research, provide seed money to, and to promote replication of measurably successful programs in criminal justice. | | | | |
| **Output (Volume):** | | | | |
| Number of Grants Currently Operating | | 1,000 | | 1,000 |
| **A.1.4. Strategy:** FILM AND MUSIC MARKETING | $ | 77,000 | $ | 77,000 |
| Market Texas as a film location and promote the Texas music industry. | | | | |
| **Output (Volume):** | | | | |
| Number of Individuals and Companies Assisted by Texas Music Office | | 1,300 | | 1,300 |
| **A.1.5. Strategy:** DISABILITY ISSUES | $ | 334,411 | $ | 334,409 |
| Inform organizations and general public of disabilities issues. | | | | |
| **Output (Volume):** | | | | |
| Number of Local Volunteer Committees on People with Disabilities and Communities Supported | | 54 | | 54 |
| **A.1.6. Strategy:** WOMEN'S GROUPS | $ | 85,466 | $ | 85,464 |
| Network statewide women's groups in Texas. | | | | |
| **A.1.7. Strategy:** COUNTY ESSENTIAL SERVICE GRANTS | $ | 500,000 | $ | 500,000 |
| Provide financial assistance to counties for essential public services. | | | | |
| **Total, Goal A:** PROGRAMS ASSIGNED | $ | 143,545,172 | $ | 134,105,209 |
| **Grand Total,** TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR | $ | 143,545,172 | $ | 134,105,209 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 13,747,697 | $ | 4,787,564 |
| Earned Federal Funds | | 975,000 | | 975,000 |
| General Revenue Fund - Dedicated | | | | |
| Crime Stoppers Assistance Account No. 5012 | | 500,000 | | 500,000 |
| Criminal Justice Planning Account No. 421 | | 27,000,000 | | 27,000,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 27,500,000 | $ | 27,500,000 |
| Federal Funds | | 101,245,475 | | 100,765,645 |
| Appropriated Receipts | | 77,000 | | 77,000 |
| **Total, Method of Financing** | $ | 143,545,172 | $ | 134,105,209 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 60.6 | | 60.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,186,002 | $ | 2,186,732 |
| Other Personnel Costs | | 346,085 | | 346,093 |
| Professional Fees and Services | | 4,966,033 | | 4,966,069 |
| Fuels and Lubricants | | 94 | | 96 |
| Consumable Supplies | | 26,246 | | 26,254 |
| Utilities | | 21,454 | | 21,460 |
| Travel | | 131,975 | | 131,891 |
| Rent - Building | | 8,222 | | 8,426 |

## TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

| | | |
|---|---|---|
| Rent - Machine and Other | 45,778 | 45,600 |
| Other Operating Expense | 274,207 | 273,469 |
| Grants | 135,535,951 | 126,095,992 |
| Capital Expenditures | 3,125 | 3,127 |
| **Total, Object-of-Expense Informational Listing** | $ 143,545,172 | $ 134,105,209 |

1. **Emergency and Deficiency Grants.** Included in amounts appropriated above are any unexpended balances not to exceed $2,539,871 as of August 31, 2003, in emergency and deficiency grants made in House Bill 1, Seventy-seventh Legislature, Emergency and Regular Session, for the biennium beginning September 1, 2003. The purposes of these appropriations are for payments of claims arising prior to the convening of the next legislature by the Governor in accordance with § 403.075, Government Code, for emergency use in accordance with §§ 401.061–401.065, Government Code, grants-in-aid in case of disasters, and for other purposes needed in the operations of state departments and agencies, including legal defense of officials and employees. Upon certification by the Governor that an emergency exists within the scope of the above-cited provisions in an agency funded out of special funds, there are hereby appropriated amounts necessary from special funds to meet the deficiency, emergency or disaster. The Comptroller of Public Accounts shall transfer from the special fund to the necessary appropriation account the amount certified as necessary to meet the deficiency, emergency or disaster. Transfers made under this provision shall be made only when sufficient balances over appropriated amounts exist in the special fund. The Governor may, according to the terms of the deficiency, emergency or disaster award, require the agency to repay all or part of the award. The repayment may be accomplished by purchase voucher, journal entry, or other procedures established by the Governor's Office with the concurrence of the Comptroller of Public Accounts.

2. **Appropriation of Earned Federal Funds.** Included in the amounts appropriated above in Strategy A.1.3, Criminal Justice, are any unexpended balances remaining as of August 31, 2003, not to exceed $975,000 per fiscal year, plus any revenues received during the biennium beginning September 1, 2003 identified as earned federal funds for use in the operations of the Office of the Governor.

3. **Use of Assistance to Regional Planning Commissions.** Funds appropriated above for Assistance to Regional Planning Commissions, are to provide assistance to metropolitan and rural regional planning commissions exercising the planning functions authorized by Local Government Code §§ 391.001-391.014, and for administrative expenses (including salaries, professional fees and services, part-time and seasonal help, travel, consumable supplies and materials, current and recurring operating expenses, and capital outlay) relating to services to the regional planning agencies.

4. **Reporting Requirements, Assistance to Regional Planning Commissions.** Every recipient of funds appropriated for Assistance to Regional Planning Commissions, shall annually publish a complete financial statement, including a listing of receipts and expenditures by accounts, together with an enumeration of each employee of the recipient, by job title, and the annual compensation of each, and such financial statement shall be made available to each member of the Legislature, and other state officials in compliance with the Distribution of Reports listed in the General Provisions of this Act.

5. **Transfer Authority for Deficiency and Emergency Grants and Disaster Funds.** In accordance with applicable statutes and to facilitate current accounting and reporting procedures, the Governor may transfer funds and/or budget authority via journal voucher or other similar means as may be prescribed by the Comptroller of Public Accounts from Strategy A.1.1, Agency Grant Assistance and Strategy A.1.2, Disaster Funds to recipient agencies.

6. **Oversight Related to Councils of Government.** The Office of the Governor shall adopt procedures and requirements related to the operation and oversight of councils of governments, including restrictions on the expenditures of funds, annual reporting requirements, annual audit requirements, and performance and productivity evaluations of the councils.

7. **Unexpended Balances Between Fiscal Years within the Biennium.** Included in the amounts appropriated above are any unexpended balances as of August 31, 2004 for the Trusteed Programs within the Office of the Governor for the same purpose for the fiscal year beginning September 1, 2004.

8. **Federal Grants.** Funds received from the federal government for grants to the Trusteed Programs within the Office of the Governor that are directed to earn interest for the 2004–05 biennium will be deposited to General Revenue–Dedicated Account No. 224, Governor's Office Federal Projects, and are to be expended as directed by the grant.

9. **Reporting Requirements: Criminal Justice Division.** To ensure that Criminal Justice Planning Funds are spent in accordance with state and federal requirements, the Criminal Justice Division (CJD) shall require grant recipients to report data and documentation, not later than October 1 of each fiscal year, demonstrating compliance with contractual agreements for Criminal Justice Planning grants. At a minimum, reports submitted by grant recipients shall provide data to support all expenditures made with Criminal Justice Planning Funds; provide an inventory of all equipment and capital items purchased with such funds; and provide all information necessary for scheduled and periodic reviews by the CJD.

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

10. **Criminal Justice Planning Funds.** Out of amounts appropriated above in Strategy A.1.3, Criminal Justice, the Criminal Justice Division shall transfer $3,898,843 in fiscal year 2004 and $3,878,407 in fiscal year 2005 funds from General Revenue–Dedicated Criminal Justice Planning Account No. 421 to the Texas Department of Criminal Justice (TDCJ). The amounts transferred by this provision do not require a grant application and are not restricted to project specific purposes. CJD may require a periodic accounting from TDCJ regarding its expenditures from these funds.

11. **Treatment Alternative to Incarceration Program.** Out of funds appropriated above to provide emergency and deficiency grants to state agencies, $3,250,000 in fiscal year 2004 and $3,250,000 in fiscal year 2005 is allocated to the Texas Department of Criminal Justice for the Treatment Alternative to Incarceration Program.

12. **Drug Court Grants.** Out of the amounts appropriated above in Strategy, A.1.3, Criminal Justice, $750,000 each fiscal year out of the General Revenue Fund shall be used to provide grants to drug courts. It is the intent of the Legislature that the presiding judge of a drug court must be an active judge holding elective office or a master. It is the intent of the Legislature that persons eligible for appointment may not be a former or retired judicial officer.

## HISTORICAL COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** HISTORICAL PRESERVATION<br>Preserve our state's irreplaceable historic landmarks and artifacts for the enjoyment, education, and benefit of the public, and the enrichment of future generations. | | |
| **Outcome (Results/Impact):** | | |
| Number of Properties Protected Through Designations Annually | 2,165 | 2,170 |
| **A.1.1. Strategy:** ARCHITECTURAL ASSISTANCE<br>Protect Texas' diverse architectural heritage by providing technical assistance for the responsible rehabilitation and preservation of properties. | $ 467,206 | $ 459,056 |
| **Output (Volume):** | | |
| Number of Historic Properties Provided Technical Assistance, Monitoring, and Mandated State and/or Federal Architectural Reviews in Order to Encourage Preservation | 2,250 | 2,500 |
| **A.1.2. Strategy:** PRESERVATION TRUST FUND<br>Provide financial assistance through the Preservation Trust Fund for critical preservation projects. | $ 537,470 | $ 533,808 |
| **Output (Volume):** | | |
| Number of Preservation Trust Fund Grants Awarded | 35 | 35 |
| **A.1.3. Strategy:** ARCHEOLOGICAL HERITAGE PROTECTION<br>Protect Texas' diverse archeological heritage through state and federally mandated cultural resource reviews, historic property management programs, volunteer efforts, and public outreach. | $ 1,835,368 | $ 1,013,465 |
| **Output (Volume):** | | |
| Number of Construction Projects Reviewed for Archeological Impact | 7,000 | 7,000 |
| Number of Outreach and Technical Materials Distributed Through Print or Electronic Media | 210,000 | 210,000 |
| **A.1.4. Strategy:** EVALUATE/INTERPRET RESOURCES<br>Provide information, programs, and services to private, public, and nonprofit constituents for the identification, evaluation, preservation, and interpretation of historic resources. | $ 2,638,758 | $ 1,109,672 |
| **Output (Volume):** | | |
| Number of Public Presentations and Workshops Given | 70 | 70 |
| Number of Sites, Properties, and Other Historical Resources Evaluated | 4,400 | 4,500 |
| **A.1.5. Strategy:** COURTHOUSE PRESERVATION<br>Provide financial and technical assistance through the Texas Historic Courthouse Preservation Program for critical courthouse preservation projects. | $ 25,000,000 | $ UB |
| **A.2.1. Strategy:** DEVELOPMENT ASSISTANCE<br>Provide technical assistance to public, private, and nonprofit entities to encourage the process of preservation, development, and revitalization of Main Street cities, promotion and development of heritage tourism, Certified Local Governments, Visionaries in Preservation and other local and regional heritage initiatives. | $ 2,547,609 | $ 1,956,911 |

## HISTORICAL COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Properties and Sites Assisted | | 1,300 | | 1,325 |
| **Total, Goal A:** HISTORICAL PRESERVATION | $ | 33,026,411 | $ | 5,072,912 |
| **B. Goal:** INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 1,161,254 | $ | 1,135,408 |
| **Grand Total,** HISTORICAL COMMISSION | $ | 34,187,665 | $ | 6,208,320 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 5,414,918 | $ | 3,161,121 |
| GR Dedicated - Texas Preservation Trust Fund Account No. 664 | | 503,722 | | 500,000 |
| Federal Funds | | 839,171 | | 838,237 |
| Other Funds | | | | |
| Appropriated Receipts | | 318,720 | | 318,720 |
| Interagency Contracts | | 2,111,134 | | 1,390,242 |
| Bond Proceeds - General Obligation Bonds | | 25,000,000 | | UB |
| Subtotal, Other Funds | $ | 27,429,854 | $ | 1,708,962 |
| **Total, Method of Financing** | $ | 34,187,665 | $ | 6,208,320 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 101.3 | | 99.3 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $85,000 | | $85,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,446,397 | $ | 3,315,430 |
| Other Personnel Costs | | 63,009 | | 63,008 |
| Professional Fees and Services | | 11,800 | | 11,800 |
| Fuels and Lubricants | | 8,708 | | 8,708 |
| Consumable Supplies | | 58,634 | | 58,634 |
| Utilities | | 60,206 | | 60,206 |
| Travel | | 258,478 | | 260,813 |
| Rent - Building | | 5,400 | | 5,420 |
| Rent - Machine and Other | | 22,759 | | 22,759 |
| Other Operating Expense | | 3,200,217 | | 1,285,799 |
| Grants | | 26,423,057 | | 1,068,743 |
| Capital Expenditures | | 629,000 | | 47,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 34,187,665 | $ | 6,208,320 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | |
| (1) Repair/rehabilitation of the Sam Rayburn House Structures | $ 50,000 | $ UB |
| b. Acquisition of Information Resource Technologies | | |
| (1) Personal Computers and Servers | 47,000 | 47,000 |
| (2) Texas Historic Sites Atlas Enhancement | 32,000 | 0 |
| Total, Acquisition of Information Resource Technologies | $ 79,000 | $ 47,000 |
| Total, Capital Budget | $ 129,000 | $ 47,000 |
| Method of Financing (Capital Budget): | | |
| General Revenue Fund | $ 97,000 | $ 47,000 |
| Interagency Contracts | 32,000 | 0 |
| Total, Method of Financing | $ 129,000 | $ 47,000 |

2. **Sam Rayburn House Caretaker.** A designated employee of the Texas Historical Commission is authorized to live on the grounds of the Sam Rayburn House Museum in Bonham, Texas at a rate to be determined by the commission as set forth in Article IX, § 11.09, State Owned Housing-Recovery Housing Costs.

3. **Cost Recovery of Historical Markers.** It is the intent of the Legislature that the Historical Commission recover the full costs of historical markers, estimated to be $155,339 in Appropriated Receipts for each fiscal year of the biennium and included above.

4. **Promotional Materials.** The Texas Historical Commission is hereby authorized to purchase promotional educational materials for resale or donation purposes during the biennium beginning September 1, 2003. All receipts received from the sale of these materials are hereby appropriated to the Commission for the administration and operation of agency programs. Any unexpended balances on hand as of August 31, 2004, from the sale of these materials are appropriated for the fiscal year beginning September 1, 2004.

5. **Registration of Historic Cemeteries.** The Texas Historical Commission is hereby authorized to collect funds for the registration of historic cemeteries. All fees collected pursuant to registration of historic cemeteries (estimated at $1,900 in Appropriated Receipts in each fiscal year and included above) are appropriated to the Texas Historical Commission for the purpose of administering the Historic Cemetery Program for the biennium beginning September 1, 2003.

6. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the State Board of Review.

7. **Preservation Trust Fund.** Included in the amounts appropriated above in Strategy A.1.2, Preservation Trust Fund, from the Preservation Trust Fund dedicated account are $375,000 in fiscal year 2004 and $400,000 in fiscal year 2005, as well as any gifts, donations, and interest earnings (estimated to be $128,722 in fiscal year 2004 and $100,000 in fiscal year 2005) deposited to the Preservation Trust Fund Dedicated Account on or after September 1, 2003.

8. **Tourism: Promotion of Historical Sites.** Out of amounts included above in Strategy A.2.1, Development Assistance, the Texas Historical Commission, pursuant to Government Code, Chapter 481.172 and Chapter 442.005(s), shall expend $300,000 during the biennium beginning September 1, 2003, transferred from the Texas Department of Economic Development, and $1 million during the biennium beginning September 1, 2003, transferred from the Texas Department of Transportation through interagency contract, to showcase historical sites in order to promote tourism and to encourage travel to the states historical attractions.

9. **Cultural Diversity Scholarships.** Gifts and donations received by the Historical Commission, not to exceed $5,000 in each year of the biennium, may be expended for scholarships of up to $500 per recipient for travel expenses, including meals and lodging, in order to encourage diversity among participants at agency sponsored conferences, seminars, and workshops.

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

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

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

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

13. **Unexpended Balances Between Biennia: Acquisition of Historical Artifacts.** Included in the amounts appropriated above in Strategy A.1.3, Archeological Heritage Protection are any unexpended balances remaining as of August 31, 2003, from the appropriation made by the Seventy-seventh Legislature for the acquisition of historic artifacts, (estimated to be $0) for the biennium beginning September 1, 2003, for the same purpose. The Historical Commission shall develop a plan and process for the purchase and acquisition of documents, records, and/or other historical artifacts relating to Texas history prior to the purchase or acquisition of any such items, and shall coordinate with the State Preservation Board and the Texas State Library and Archives Commission. In addition, the Commission shall coordinate the purchase or acquisition

of the historical artifacts with institutions involved in historic preservation programs reflective of racial, ethnic, and cultural diversity throughout the state. The Historical Commission must also report on the status of acquisitions to the Governor and the Legislative Budget Board within 30 days of such acquisition.

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

15. **Unexpended Balances Between Biennia and Fiscal Years within the Biennium: Courthouse Preservation Program.** Any unexpended balances remaining as of August 31, 2003, from the appropriation made to Strategy A.1.5, Courthouse Preservation, by the Seventy-seventh Legislature, Regular Session, (estimated to be $0) are hereby appropriated to the Historical Commission for the biennium beginning September 1, 2003, for the same purpose.

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

16. **Historical Preservation Program.** Out of funds appropriated above the Historical Commission shall develop a program to assist schools and community colleges with historical preservation. It is the intent of the Legislature that the commission evaluate and award grants based on merit. Grants awarded by the Historical Commission for the proposing school or community college are contingent upon receipt of a matching amount of funds by the school or community college.

17. **Texas Emancipation Juneteenth Cultural and Historical Commission.** Out of the amounts appropriated above in Strategy A.1.4, Evaluate and Interpret Resources, not to exceed $150,000 in General Revenue funds is appropriated to the Historical Commission for fiscal year 2004 for the purpose of funding the activities and operations of the Texas Emancipation Juneteenth Cultural and Historical Commission.

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

## COMMISSION ON HUMAN RIGHTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ANTIDISCRIMINATION LAWS | | |
| To provide leadership in the development and effective administration of policies and laws designed to prohibit and reduce discrimination in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Investigations Complying with the Commission's Quality Control Standards and the US EEOC's Substantial Weight Review Standards | 99% | 99% |
| Percent of Investigations Complying with the Commission's Quality Control Standards and HUD's Standards | 100% | 100% |
| **A.1.1. Strategy:** EMPLOYMENT INVESTIGATIONS | $ 1,207,561 | $ 1,207,561 |
| Conduct all employment investigations in accordance with the commission's quality control standards and the US EEOC substantial weight review standards and increase effective utilization of the alternative dispute resolution process. | | |
| **Output (Volume):** | | |
| Number of Employment Complaints Resolved | 1,285 | 1,285 |
| **A.1.2. Strategy:** HOUSING INVESTIGATIONS | $ 364,551 | $ 364,551 |
| Conduct all housing investigations in accordance with the Commission's quality control standards and HUD standards. | | |
| **Output (Volume):** | | |
| Number of Housing Complaints Resolved | 250 | 250 |
| **Total, Goal A:** ANTIDISCRIMINATION LAWS | $ 1,572,112 | $ 1,572,112 |
| **B. Goal:** TRAINING AND ASSISTANCE | | |
| To provide comprehensive training and technical assistance to reduce employment and housing discrimination, conduct reviews of personnel policies of state agencies and institutions of higher education and review tests administered by fire departments. | | |
| **Outcome (Results/Impact):** | | |
| Percent Change Per Year in Employment Discrimination Complaints Filed with the Commission Against State Agencies and Institutions of Higher Education Receiving Training | 5% | 5% |
| **B.1.1. Strategy:** TRAINING | $ 347,715 | $ 347,716 |
| Provide technical assistance and comprehensive training on compliance with laws prohibiting discrimination. | | |
| **Output (Volume):** | | |
| Number of EEO Training Sessions Conducted | 200 | 200 |
| **Efficiencies:** | | |
| Average Cost to Texas Commission on Human Rights Per EEO Training Session Conducted | 650 | 650 |
| **B.1.2. Strategy:** MONITOR PERSONNEL POLICY | $ 261,889 | $ 261,888 |
| Conduct personnel policy reviews of state agencies and institutions of higher education and reviews of tests by fire departments to ensure compliance with the Texas Commission on Human Rights Act. | | |
| **Output (Volume):** | | |
| Number of On-site Personnel Policy Reviews Conducted | 34 | 35 |
| Number of Fire Department Tests Reviewed | 15 | 15 |

## COMMISSION ON HUMAN RIGHTS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Cost Per Review of Fire Department Tests | | 2,717 | | 2,717 |
| **Total, Goal B:** TRAINING AND ASSISTANCE | $ | 609,604 | $ | 609,604 |
| **Grand Total,** COMMISSION ON HUMAN RIGHTS | $ | 2,181,716 | $ | 2,181,716 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 722,464 | $ | 722,463 |
| Federal Funds | | 1,212,576 | | 1,212,577 |
| Other Funds | | | | |
| Appropriated Receipts | | 114,611 | | 114,611 |
| Interagency Contracts | | 132,065 | | 132,065 |
| Subtotal, Other Funds | $ | 246,676 | $ | 246,676 |
| **Total, Method of Financing** | $ | 2,181,716 | $ | 2,181,716 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 49.0 | | 49.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $62,000 | | $62,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,614,990 | $ | 1,618,991 |
| Other Personnel Costs | | 70,180 | | 70,180 |
| Professional Fees and Services | | 28,500 | | 28,500 |
| Consumable Supplies | | 20,000 | | 20,000 |
| Utilities | | 44,360 | | 44,360 |
| Travel | | 65,000 | | 65,000 |
| Rent - Building | | 167,611 | | 167,611 |
| Rent - Machine and Other | | 12,000 | | 12,000 |
| Other Operating Expense | | 159,075 | | 155,074 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,181,716 | $ | 2,181,716 |

1. **Cash Flow Contingency.**

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

b. The Commission on Human Rights may temporarily utilize additional General Revenue Funds pending reimbursement through interagency contracts in an amount not to exceed 50 percent of the estimated interagency contract receipts to be received each year of the biennium to be adjusted by actual contract amounts. The General Revenue amounts utilized above the General Revenue method of finance must be repaid upon receipt of interagency contract reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be in accordance with procedures established by the Comptroller. Any contract balance at the end of the first fiscal year of the biennium is hereby appropriated to the second fiscal year of the biennium.

2. **Travel Expenditures.** The Texas Commission on Human Rights is authorized to spend out of funds appropriated by this Act up to $1,500 per employee or Commissioner for each year of the biennium for out-of-state travel. This limitation shall not apply to out-of-state travel required by the US Equal Employment Opportunity Commission or the US Department of Housing and Urban Development if the cost of such travel is reimbursed by the federal government.

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

## TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENCOURAGE PARTICIPATION<br>To encourage the development of productive and innovative state agencies and employees and to recognize employees for their efforts to save money, increase revenues, and improve services. Government Code, 2108.022. | | |
| **A.1.1. Strategy:** EDUCATION AND PROMOTION<br>Educate employees and program coordinators/contacts and conduct program promotional activities. | $ | $ |
| **A.2.1. Strategy:** REVIEW AND APPROVAL<br>Conduct staff review and commission consideration of employee suggestions within 90 days. | $ | $ |
| **Total, Goal A:** ENCOURAGE PARTICIPATION | $ 0 | $ 0 |
| **Grand Total,** TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION | $ 0 | $ 0 |
| **Method of Financing:** | | |
| **Total, Method of Financing** | $ 0 | $ 0 |
| **Object-of-Expense Informational Listing:** | | |
| **Total, Object-of-Expense Informational Listing** | $ 0 | $ 0 |

## DEPARTMENT OF INFORMATION RESOURCES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROMOTE EFFICIENT IR SYSTEMS | | |
| Promote a statewide environment which encourages efficient use and management of information resources and assist the state leadership in achieving its goals by offering advice on information resources issues. | | |
| **A.1.1. Strategy:** STATEWIDE PLANNING | $ 1,323,034 | $ 1,241,016 |
| Produce the Biennial Statewide Information Resources Strategic Plan and related performance reports and analyses, issue statewide recommendations, secure statewide assets, and participate in interagency task forces. | | |
| **Output (Volume):** | | |
| Number of Project Briefs/Issue Papers Produced | 7 | 7 |
| **A.1.2. Strategy:** TEXAS ONLINE | $ 917,635 | $ 917,447 |
| Manage contract for Texas Online, the State of Texas e-government portal. | | |
| **A.2.1. Strategy:** STANDARDS AND EDUCATION | $ 1,148,872 | $ 1,066,934 |
| Develop technical standards, policies and reports on new technologies and procedures and provide educational programs to state agency personnel, including information resource managers. | | |
| **Output (Volume):** | | |
| Number of Technical and Industry Standards Reviewed | 100 | 100 |
| **Efficiencies:** | | |
| Average Cost Per Policy, Guideline and Standard Produced | 299.07 | 349 |
| **Total, Goal A:** PROMOTE EFFICIENT IR SYSTEMS | $ 3,389,541 | $ 3,225,397 |
| **B. Goal:** COST EFFECTIVE IR ACQUISITION | | |
| Assist state agencies and other governmental entities in the most cost-effective acquisition of their information resources. | | |
| **Outcome (Results/Impact):** | | |
| Cooperative Services Dollar Saved/Avoided Per Dollar of Program Operating Cost | 33 | 33 |
| **B.1.1. Strategy:** CONTRACT ADMINISTRATION | $ 2,155,924 | $ 2,155,924 |
| Assist state agencies and other governmental entities in the most cost effective acquisition of their information resources by negotiating, managing, and administering contracts with the major information technology providers. | | |
| **Output (Volume):** | | |
| Total Savings and Cost Avoidance through Utilization of Cooperative Services | 60,000,000 | 60,000,000 |
| **C. Goal:** TELECOMMUNICATIONS | | |
| Assist governmental entities in cost-effective usage of network services. | | |
| **Outcome (Results/Impact):** | | |
| Percent Customer Satisfaction with CCTS Attained | 98% | 98% |
| Percent of Customer Satisfaction with TEX-AN Services Attained | 92% | 95% |
| **C.1.1. Strategy:** CAPITOL COMPLEX TELEPHONE | $ 6,712,146 | $ 7,037,419 |
| Maintain and increase the capabilities of the Capitol Complex Telephone Systems. | | |
| **Efficiencies:** | | |
| Average Response Time for Trouble Tickets (in Hours) | 3 | 3 |

| | | | | |
|---|---|---|---|---|
| **C.2.1. Strategy:** TEX-AN NETWORK SERVICES | $ | 69,591,671 | $ | 71,401,545 |
| Maintain TEX-AN network services. | | | | |
| **Efficiencies:** | | | | |
| Average Price Per Intrastate Minute on TEX-AN | | .07 | | .07 |
| Average Price Per Toll-free Minute on TEX-AN | | .07 | | .07 |
| **Total, Goal C:** TELECOMMUNICATIONS | $ | 76,303,817 | $ | 78,438,964 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 1,280,942 | $ | 1,280,942 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 1,038,680 | $ | 1,039,280 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 605,546 | $ | 605,546 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 2,925,168 | $ | 2,925,768 |
| **Grand Total,** DEPARTMENT OF INFORMATION RESOURCES | $ | 84,774,450 | $ | 86,746,053 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 2,888,548 | $ | 2,888,548 |
| Other Funds | | | | |
| Appropriated Receipts | | 11,054,988 | | 11,303,015 |
| Interagency Contracts | | 70,830,914 | | 72,554,490 |
| Subtotal, Other Funds | $ | 81,885,902 | $ | 83,857,505 |
| **Total, Method of Financing** | $ | 84,774,450 | $ | 86,746,053 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 210.5 | | 210.5 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 5 | | $120,000 | | $120,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 3,855,419 | $ | 0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 10,368,298 | $ | 10,390,577 |
| Other Personnel Costs | | 134,522 | | 134,922 |
| Operating Costs | | 3,855,419 | | 0 |
| Professional Fees and Services | | 1,045,287 | | 862,185 |
| Fuels and Lubricants | | 7,900 | | 7,900 |
| Consumable Supplies | | 69,437 | | 69,437 |
| Utilities | | 247,253 | | 245,273 |
| Travel | | 159,655 | | 159,655 |
| Rent - Building | | 56,798 | | 56,798 |
| Other Operating Expense | | 71,169,388 | | 73,332,259 |
| Capital Expenditures | | 1,515,912 | | 1,487,047 |
| **Total, Object-of-Expense Informational Listing** | $ | 88,629,869 | $ | 86,746,053 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Telemanagement IR Upgrade | $ | 17,000 | $ | 14,000 |
| (2) Computer Hardware | | 61,000 | | 60,500 |
| Total, Acquisition of Information Resource Technologies | $ | 78,000 | $ | 74,500 |
| b. Transportation Items | | | | |
| (1) Vehicles | | 45,000 | | 25,000 |
| c. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Lease Payments, 2002-03 | | 1,392,912 | | 1,387,547 |
| Total, Capital Budget | $ | 1,515,912 | $ | 1,487,047 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 14,640 | $ | 14,520 |
| Other Funds | | | | |
| Appropriated Receipts | | 64,150 | | 60,450 |
| Interagency Contracts | | 1,437,122 | | 1,412,077 |
| Total, Method of Financing | $ | 1,515,912 | $ | 1,487,047 |

2. **DIR Clearing Fund Account.** The Comptroller shall establish in the state treasury the Department of Information Resources clearing account for the administration of cost recovery activities pursuant to authority granted under Chapters 771, 791, 2054, 2055, and 2177 Government Code. The account shall be used:

   a. As a depository for funds received as payments from state agencies and units of local government for services provided;

   b. As a source of funds for the department to purchase, lease, or acquire in any other manner services, supplies, software products, and equipment necessary for carrying out the department's duties relating to services provided to state agencies and units of local government for which the department receives payment from state agencies and local governmental units; and

   c. To pay salaries, wages, and other costs directly attributable to the services provided to state agencies and units of local government for which the department receives payment from those agencies and governmental units. However, the maximum amount of Indirect Cost Allocation for administrative costs to be applied to state agency receipts and local government receipts shall not exceed 2.0 percent per receipt. The Department of Information Resources shall report the amount of administrative costs allocated to each agency and unit of local government annually to the Legislative Budget Board.

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

3. **Capital Purchases on Behalf of Other Government Entities.** Any capital items related to information resources and telecommunications technologies purchased by the Department of Information Resources for use by other state agencies and governmental entities for which the department is reimbursed do not apply to the department for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures - Capital Budget, of the General Provisions of this Act.

4. **Cash Flow Contingency.** Contingent upon receipt of reimbursements from state agencies, other governmental entities, and vendors for direct services provided and procurements of goods or services made through the Program Management Office, Cooperative Contracts, and Telecommunications Services programs, the department may temporarily utilize additional general revenue funds in an amount not to exceed 10 percent of projected annual sales or $4.0 million, whichever is greater. These funds shall be utilized only for the purpose of temporary cash flow needs. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 2005.

5. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, Chapter 2110, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committee: State Strategic Plan for Information Resources Management Advisory Committee.

6. **TexasOnline Project.** Included in the amounts appropriated above in Strategy A.1.2, TexasOnline, is $500,000 out of Appropriated Receipts generated by the TexasOnline Project for the 2004–05 biennium for the continued operation and expansion of the TexasOnline Project.

7. **Development of a Statewide Licensing Agreement.** Out of funds appropriated above, the Department of Information Resources shall plan, develop request for information and proposals, and contract negotiations for statewide licensing agreements, as required, for off-the-shelf licensing software. The Department of Information Resources shall assist agencies in the procurement and implementation of the licensing software.

8. **Reduce the State Reporting Burden on Texas Cities and Counties.** In coordination with a working group comprised of representatives of the Comptroller's Office, other state agencies, and local governments, DIR should compile a list of recommendations for the Legislature for streamlining and reducing reporting requirements on cities and counties. DIR should establish and update an inventory of required reports. Other purposes of these recommendations should be to improve data accuracy, electronic infrastructure, and access to data by the public and elected officials at all levels of government for better decision-making. It is the intent of this Legislature that state agencies cooperate with this working group, review existing reporting requirements, and wherever possible, place a moratorium on additional requirements, unless they are specifically required by law or essential to agency missions. Finally, the working group should examine the state-funded telecommunications networks that connect with county courthouses to determine the costs and benefits of consolidating these systems.

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

9. **Telecommunications Capital Budget Purchases.** The Department of Information Resources is hereby authorized to expend funds appropriated elsewhere in this Act to acquire equipment that may be necessary to facilitate cost savings or technical advancements associated with the Capital Complex Telephone System (CCTS) or TEX-AN Statewide Telecommunications System. The Department of Information Resources shall coordinate any equipment acquisitions associated with the TEX-AN Statewide Telecommunications System with the Telecommunications Planning and Oversight Council. The Department of Information Resources shall notify the Legislative Budget Board and the Governor prior to such acquisition.

10. **Telecommunications Revolving Account.** All moneys paid into the Telecommunication Revolving Fund Account in accordance with the provisions of Chapter 2170, Government Code, are included in the amounts appropriated above (estimated to be $80,182,009 in 2004 and $82,155,682 in 2005 in Appropriated Receipts and Interagency Contracts) and may be expended for the same purposes set out in Chapter 2170, Government Code. This includes services such as planning, development of requests for information and proposals, and contract negotiations. The agency is hereby appropriated not more than $3,855,419 in General Revenue Funds in this account for the purposes set for the above.

11. **Electronic Government Program Management Office.** Included in the amounts appropriated above is $1.8 million in Interagency Contracts for the Department of Information Resources to direct and facilitate the implementation of electronic government projects pursuant to Chapter 2055, Texas Government Code.

## LIBRARY & ARCHIVES COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** DELIVERY OF SERVICES<br>To improve the availability and delivery of library and information services for all Texans. | | |
| **Outcome (Results/Impact):** | | |
| Percent of the Population Living Outside of the Service Areas of Public Libraries | 7.3% | 7.3% |
| Percent of Eligible Population Registered for Talking Book Program Services | 7.85% | 7.8% |
| **A.1.1. Strategy:** LIBRARY RESOURCE SHARING SERVICES<br>Share library resources among libraries statewide through the Library of Texas, interlibrary loan, TexShare, and other projects. | $ 10,835,845 | $ 10,864,345 |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Persons Provided Project-sponsored Services by Shared Resources | | 3,620,000 | | 3,472,000 |
| **A.1.2. Strategy:** AID TO LOCAL LIBRARIES | $ | 12,182,740 | $ | 12,362,362 |
| Provide services and grants to aid in the development of local libraries, including Loan Star Libraries grants, continuing education and consulting services, the Texas Reading Club, funding regional cooperative programs, and other grants. | | | | |
| **Output (Volume):** | | | | |
| Number of Persons Provided Local Library Project-sponsored Services | | 1,830,000 | | 1,850,000 |
| **A.2.1. Strategy:** DISABLED SERVICES | $ | 1,692,500 | $ | 1,713,100 |
| Provide direct library service by mail to Texas citizens with disabilities from a centralized collection of large-print, braille, and recorded books. | | | | |
| **Output (Volume):** | | | | |
| Number of Persons Served | | 21,000 | | 21,000 |
| **Total, Goal A:** DELIVERY OF SERVICES | $ | 24,711,085 | $ | 24,939,807 |
| **B. Goal:** PUBLIC ACCESS TO GOV'T INFORMATION | | | | |
| To improve the availability and delivery of information services to state government and to persons seeking current and historical information from state government. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Customers Satisfied with State Library Reference and Information Services | | 95% | | 95% |
| **B.1.1. Strategy:** PROVIDE ACCESS TO INFO & ARCHIVES | $ | 1,446,211 | $ | 1,446,211 |
| Provide legislators, staff, and the general public with ready access to needed government information from publications, documents, records, and other library resources. | | | | |
| **Output (Volume):** | | | | |
| Number of Assists with Information Resources | | 126,000 | | 127,000 |
| **C. Goal:** MANAGE STATE-LOCAL RECORDS | | | | |
| To provide for the cost-effective management of all state and local government records. | | | | |
| **C.1.1. Strategy:** MANAGE STATE-LOCAL RECORDS | $ | 2,261,406 | $ | 2,182,878 |
| Provide records management training, consulting, and storage services to state agencies and local government officials. | | | | |
| **Output (Volume):** | | | | |
| Number of Cubic Feet Stored/Maintained | | 351,000 | | 363,000 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 1,958,335 | $ | 1,960,335 |
| **Grand Total,** LIBRARY & ARCHIVES COMMISSION | $ | 30,377,037 | $ | 30,529,231 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 11,945,790 | $ | 11,968,132 |
| Earned Federal Funds | | 110,630 | | 110,630 |
| Subtotal, General Revenue Fund | $ | 12,056,420 | $ | 12,078,762 |

## LIBRARY & ARCHIVES COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund - Dedicated | | | | |
| New Millennium Reading Account No. 5042 | | 7,500 | | 7,500 |
| Telecommunications Infrastructure Fund No. 345 | | 6,050,000 | | 6,050,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 6,057,500 | $ | 6,057,500 |
| Federal Funds | | | | |
| Federal Public Library Service Fund No. 118 | | 10,004,700 | | 10,104,200 |
| Federal Funds | | 5,000 | | 5,000 |
| Subtotal, Federal Funds | $ | 10,009,700 | $ | 10,109,200 |
| Other Funds | | | | |
| Appropriated Receipts | | 568,220 | | 679,850 |
| Interagency Contracts | | 1,685,197 | | 1,603,919 |
| Subtotal, Other Funds | $ | 2,253,417 | $ | 2,283,769 |
| **Total, Method of Financing** | $ | 30,377,037 | $ | 30,529,231 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 210.5 | | 210.5 |
| **Schedule of Exempt Positions:** | | | | |
| Director-Librarian, Group 3 | | $85,000 | | $85,000 |
| Per Diem of Commissioners | | 1,080 | | 1,080 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,667,045 | $ | 6,667,045 |
| Other Personnel Costs | | 256,793 | | 262,393 |
| Professional Fees and Services | | 271,664 | | 250,519 |
| Fuels and Lubricants | | 7,130 | | 7,630 |
| Consumable Supplies | | 173,209 | | 179,157 |
| Utilities | | 239,555 | | 239,565 |
| Travel | | 67,479 | | 69,222 |
| Rent - Building | | 11,975 | | 12,075 |
| Rent - Machine and Other | | 30,250 | | 30,250 |
| Other Operating Expense | | 9,281,140 | | 9,507,353 |
| Grants | | 12,853,500 | | 12,925,225 |
| Capital Expenditures | | 517,297 | | 378,797 |
| **Total, Object-of-Expense Informational Listing** | $ | 30,377,037 | $ | 30,529,231 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | | | |
| (1) Replacement of Air Conditioning Equipment for Agency Computer Room | $ | 50,000 | $ | UB |

| | | | | |
|---|---|---|---|---|
| (2) Replacement of HVAC Digital Controls | | 28,200 | | UB |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ | 78,200 | $ | UB |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of New or Replacement Computer Resources for Desktop Workstations and Maintenance of the Agency Network | | 179,200 | | 179,000 |
| (2) Provide Public Access to Information Resources (Content Databases and E-books) | | 7,500,000 | | 7,499,370 |
| (3) Grant Management Document System | | 50,000 | | UB |
| Total, Acquisition of Information Resource Technologies | $ | 7,729,200 | $ | 7,678,370 |
| c. Transportation Items | | | | |
| (1) Acquisition of Mission-Critical Delivery Vehicles for the State Records Management Program | | 18,000 | | 18,000 |
| d. Acquisition of Capital Equipment and Items | | | | |
| (1) Acquisition of Microfilm or Imaging Equipment for the State and Local Records Management Division | | 61,800 | | 52,150 |
| (2) Materials to be Added to the Collections of the Texas State Library | | 120,147 | | 120,147 |
| Total, Acquisition of Capital Equipment and Items | $ | 181,947 | $ | 172,297 |
| e. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Lease Payments (MLPP) for 02/03 Acquisition | | 9,950 | | 9,500 |
| Total, Capital Budget | $ | 8,017,297 | $ | 7,878,167 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 216,197 | $ | 190,747 |
| Federal Public Library Service Fund No. 118 | | 991,000 | | 965,370 |
| Appropriated Receipts | | 325,100 | | 325,100 |
| Interagency Contracts | | 435,000 | | 346,950 |
| GR Dedicated - Telecommunications Infrastructure Fund No. 345 | | 6,050,000 | | 6,050,000 |
| Total, Method of Financing | $ | 8,017,297 | $ | 7,878,167 |

2. **Disbursement of Library Development Funds.** The Texas State Library and Archives Commission is hereby authorized to disburse to public libraries, major resource systems and regional library systems those general revenue funds appropriated in Strategy A.1.2, Aid to

Local Libraries, in a manner consistent with Government Code § 441.138, in order to satisfy the requirements of the federal maintenance of effort provisions in the Museum and Library Services Act of 1996, and federal regulations developed pursuant to that Act. The Commission is also authorized to promulgate rules necessary to administer these disbursements.

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

4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   Library System Act Advisory Board
   Texas Historical Records Advisory Board
   Local Government Records Committee
   TexShare Advisory Board (Public Members)

5. **Appropriation of Receipts and Unexpended Balances of TexShare Membership Fees and Reimbursements.** The Library and Archives Commission is hereby authorized to collect fees from the members of the TexShare Library Resource Sharing consortium (not to exceed $500,000 each fiscal year and included above in Strategy A.1.1, Library Resource Sharing Services) from revenue generated from the fiscal year beginning September 1, 2003 as authorized by Government Code § 441.224, in order to supplement insufficient funding from the Telecommunications Infrastructure Fund Board for costs associated with the TexShare program.

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

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

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

# PENSION REVIEW BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** SOUND RETIREMENT SYSTEMS<br>Ensure that Texas Public Retirement Systems are actuarially sound and well managed in their administration and investments so that members receive their entitled benefits with a minimum expenditure of taxpayer dollars. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Texas Public Retirement Systems That Are Actuarially or Financially Sound | 95% | 95% |
| Percent of Plan Administrators Satisfied with PRB Educational Services | 98% | 98% |
| **A.1.1. Strategy:** RETIREMENT SYSTEM REVIEWS<br>Conduct reviews of Texas public retirement systems. | $ 134,851 | $ 134,851 |
| **Output (Volume):** | | |
| Number of Reviews Completed | 260 | 260 |
| **A.2.1. Strategy:** TECHNICAL ASSISTANCE AND EDUCATION<br>Provide technical assistance and educational services to public retirement systems, examine legislation for potential impact on Texas' public retirement systems, and provide electronic access to public pension data. | $ 148,732 | $ 185,172 |
| **Output (Volume):** | | |
| Number of Technical Assistance Reports Provided by Staff | 200 | 350 |
| **Total, Goal A:** SOUND RETIREMENT SYSTEMS | $ 283,583 | $ 320,023 |
| **Grand Total,** PENSION REVIEW BOARD | $ 283,583 | $ 320,023 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 5.0 | 5.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 1 | $52,000 | $52,000 |
| Per Diem of Board Members | 1,400 | 2,520 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 229,332 | $ 229,332 |
| Other Personnel Costs | 7,600 | 8,720 |
| Operating Costs | 13,881 | 50,320 |
| Consumable Supplies | 2,000 | 2,000 |
| Utilities | 110 | 110 |
| Travel | 3,500 | 3,500 |
| Rent - Building | 400 | 400 |
| Rent - Machine and Other | 4,300 | 4,300 |
| Other Operating Expense | 20,460 | 19,341 |
| Capital Expenditures | 2,000 | 2,000 |
| **Total, Object-of-Expense Informational Listing** | $ 283,583 | $ 320,023 |

# PRESERVATION BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** MANAGE CAPITOL AND OTHER BUILDINGS | | |
| Manage the State Capitol and other designated buildings, their contents and their grounds, and promote Texas history. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Maintenance Tasks Completed Correctly | 99% | 99% |
| **A.1.1. Strategy:** PRESERVE BUILDINGS AND CONTENTS | $ 1,847,076 | $ 567,040 |
| Preserve the State Capitol and other designated buildings, their contents, and their grounds. | | |
| **Output (Volume):** | | |
| Number of Repairs and Restorations of Historical Items Completed | 98 | 465 |
| **A.1.2. Strategy:** BUILDING MAINTENANCE | $ 3,284,500 | $ 3,284,500 |
| Maintain the State Capitol and other designated buildings and their grounds through use of agency resources and private contracts. | | |
| **Efficiencies:** | | |
| Cost Per Building Square Foot of Custodial Care | 2 | 2 |
| **A.2.1. Strategy:** MANAGE EDUCATIONAL PROGRAM | $ 638,000 | $ 638,000 |
| Manage an educational program focusing on Texas history and the historical buildings, their contents, and their grounds. | | |
| **Output (Volume):** | | |
| Number of School-age Tours Conducted at the Visitors Center | 650 | 650 |
| **A.2.2. Strategy:** MANAGE STATE HISTORY MUSEUM | $ 6,742,570 | $ 6,680,590 |
| Manage and operate the Bob Bullock Texas State History Museum. | | |
| **Explanatory:** | | |
| Number of Visitors to the Museum | 506,000 | 531,000 |
| **A.3.1. Strategy:** MANAGE ENTERPRISES | $ 38,440 | $ 38,440 |
| Manage Capitol events, exhibits and activities, and operate profitable gift shops. | | |
| **Explanatory:** | | |
| Income from Parking Meters | 615,000 | 625,000 |
| Number of Capitol Gift Shop Sales Transactions | 90,000 | 100,000 |
| **Total, Goal A:** MANAGE CAPITOL AND OTHER BUILDINGS | $ 12,550,586 | $ 11,208,570 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 829,000 | $ 829,000 |
| **Grand Total,** PRESERVATION BOARD | $ 13,379,586 | $ 12,037,570 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 13,348,037 | $ 12,006,021 |
| Other Funds | | |
| Appropriated Receipts | 25,000 | 25,000 |
| Interagency Contracts | 6,549 | 6,549 |
| Subtotal, Other Funds | $ 31,549 | $ 31,549 |
| **Total, Method of Financing** | $ 13,379,586 | $ 12,037,570 |

| | | | | |
|---|---|---|---|---|
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 98.0 | | 98.0 |
| **Number of Full-Time-Equivalent Positions (FTE)-Total** | | 218.5 | | 218.5 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 4 | | $115,000 | | $115,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,984,040 | $ | 2,984,040 |
| Other Personnel Costs | | 97,800 | | 97,800 |
| Professional Fees and Services | | 104,500 | | 104,500 |
| Fuels and Lubricants | | 2,500 | | 2,500 |
| Consumable Supplies | | 162,100 | | 162,100 |
| Utilities | | 35,000 | | 35,000 |
| Travel | | 7,000 | | 7,000 |
| Rent - Building | | 850 | | 850 |
| Rent - Machine and Other | | 50,000 | | 50,000 |
| Other Operating Expense | | 9,860,796 | | 8,518,780 |
| Capital Expenditures | | 75,000 | | 75,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 13,379,586 | $ | 12,037,570 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Computer Systems and Peripherals | $ | 50,000 | $ | 50,000 |
| Total, Capital Budget | $ | 50,000 | $ | 50,000 |

2. **Capitol Fund.** Any funds deposited, including fees and revenue collected or earned, during the biennium beginning September 1, 2003, and any balances remaining as of August 31, 2003, in the Capitol Fund, a fund held outside the Treasury, are to be used for the benefit of the Capitol and associated programs of the agency in accordance with the intentions of the donors and the Legislature.

3. **Maintaining Paved Surfaces of Capitol Grounds.** It is the intent of the Legislature that the Texas Department of Transportation shall maintain paved surfaces on the State Capitol Grounds according to the Historic Capitol Grounds Master Plan adopted by the State Preservation Board.

4. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2004, from the appropriations made above are hereby appropriated to the State Preservation Board for the same purpose for the fiscal year beginning September 1, 2004.

5. **Appropriation: Debt Service for Construction of State History Museum.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy A.2.2, Manage State History Museum, the amounts of $6,692,570 for fiscal year 2004 and $6,630,590 for fiscal year 2005 are to be used for lease payments to the Texas Public Finance Authority for debt service payments on the revenue bonds or other revenue obligations issued to construct the State History Museum, and the amounts of $50,000 each fiscal year of the 2004–05 biennium are to be used for insurance payments as required by the Texas Public Finance Authority.

6. **Capital Renewal Trust Fund.** Included in the amounts appropriated above out of the General Revenue Fund in Strategy A.1.2, Building Maintenance, is $1,280,036 for the purpose of funding major repairs and major equipment replacement for the Capitol and Capital Extension. This amount shall be transferred to the Capital Renewal Trust Fund, as authorized by § 443.0103, Government Code.

## STATE OFFICE OF RISK MANAGEMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** MANAGE RISK AND ADMINISTER CLAIMS | | |
| To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs. | | |
| **Outcome (Results/Impact):** | | |
| Incident Rate of Injuries and Illnesses Per 100 Covered Full-time State Employees | 4.9% | 4.9% |
| Cost of Workers' Compensation Per Covered State Employee | 440 | 447 |
| **A.1.1. Strategy:** RISK MANAGEMENT PROGRAM | $ 2,778,388 | $ 2,600,488 |
| Establish statewide risk management guidelines, work with agencies to develop programs that meet the guidelines, conduct on-site risk management program reviews, and provide safety evaluations, consultations, and training. | | |
| **Output (Volume):** | | |
| Number of Written Risk Management Program Reviews Conducted | 32 | 32 |
| Number of On-site Consultations Conducted | 250 | 250 |
| **A.2.1. Strategy:** PAY WORKERS' COMPENSATION | $ 5,332,623 | $ 6,052,217 |
| Obtain and review all claims for Workers' Compensation in accordance with state law and administrative regulations, determine eligibility for medical and indemnity benefits and determine the injured employee's weekly wage and indemnity payment rate. | | |
| **Output (Volume):** | | |
| Number of Medical Bills Processed | 198,000 | 200,000 |
| Number of Indemnity Bills Paid | 69,000 | 69,000 |
| **Efficiencies:** | | |
| Average Cost to Administer Claim | 335 | 335 |
| **Total, Goal A:** MANAGE RISK AND ADMINISTER CLAIMS | $ 8,111,011 | $ 8,652,705 |
| **Grand Total,** STATE OFFICE OF RISK MANAGEMENT | $ 8,111,011 | $ 8,652,705 |

**Method of Financing:**

## STATE OFFICE OF RISK MANAGEMENT
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 6,001,757 | $ | 4,130,737 |
| Interagency Contracts | | 2,109,254 | | 4,521,968 |
| **Total, Method of Financing** | $ | 8,111,011 | $ | 8,652,705 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 135.8 | | 135.8 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $85,000 | | $85,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 4,938,960 | $ | 4,938,960 |
| Other Personnel Costs | | 102,247 | | 102,247 |
| Professional Fees and Services | | 1,962,282 | | 2,681,876 |
| Fuels and Lubricants | | 231 | | 231 |
| Consumable Supplies | | 62,201 | | 62,201 |
| Utilities | | 40,404 | | 32,404 |
| Travel | | 125,274 | | 125,274 |
| Rent - Building | | 25,539 | | 25,539 |
| Rent - Machine and Other | | 44,894 | | 44,894 |
| Other Operating Expense | | 649,579 | | 639,079 |
| Capital Expenditures | | 159,400 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 8,111,011 | $ | 8,652,705 |

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

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

2. **Risk Management Guide for State Agencies.** The State Office of Risk Management shall maintain a risk management guide for all state agencies.

3. **Transfer of Administrative Support to the State Office of Risk Management.** Included in amounts appropriated above is $669,134 each fiscal year in Strategy A.1.1, Risk Management Program, out of General Revenue Funds and 11.8 FTEs to implement and administer all administrative support, previously provided by the Office of the Attorney General.

4. **Appropriation of Unexpended Balances for Cost Containment Between Fiscal Years within the Biennium.** Any unexpended balances remaining as of August 31, 2004, out of appropriations made to Strategy A.2.1, Pay Workers Compensation, are hereby appropriated to the State Office of Risk Management for the fiscal year beginning September 1, 2004. It is the intent of the Legislature that these unexpended balances, estimated to be no less than $531,020 in General Revenue Funds, be applied toward assessments charged to state agencies for the cost containment vendor contract.

## WORKERS' COMPENSATION PAYMENTS

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

1. **Appropriation - Subrogation Receipts.** All sums of money recovered by the State Office of Risk Management from third parties by way of subrogation are hereby appropriated to the State Office of Risk Management during the biennium of receipt to be used for the payment of workers' compensation benefits to state employees.

2. **Cost Containment.** The State Office of Risk Management shall submit a report detailing the effectiveness of various cost containment measures undertaken and proposing additional measures to reduce workers' compensation costs. This report shall be submitted to the legislative and executive budget offices, in the form those offices require, within 45 days after the close of each fiscal year.

3. **Reporting of Workers' Compensation Claims.** For the purpose of reporting expenditures to the Uniform Statewide Accounting System (USAS), it is the intent of the Legislature that the State Office of Risk Management (SORM) account for payments of workers' compensation claims based on the date on which the bill for services is presented for payment to SORM.

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

## SECRETARY OF STATE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INFORMATION MANAGEMENT<br>Provide accurate, reliable, and timely access to information; maximize the efficiency of document processing; and take actions to ensure compliance with laws and rules. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Business, Commercial, and Public Filings and Information Requests Completed in Three Days | 75% | 75% |
| **A.1.1. Strategy:** DOCUMENT FILING<br>File or reject business entity, uniform commercial code, notary public and other statutory filings and maintain and disseminate information derived from those filings. | $ 8,444,672 | $ 8,609,222 |
| **Output (Volume):** | | |
| Number of Business, Commercial, and Public Filings Transactions Processed | 1,170,000 | 1,170,000 |
| Number of Processed Requests for Information on Business, Commercial, and Public Filings | 1,260,000 | 1,260,000 |
| **Efficiencies:** | | |
| Average Cost Per Business, Commercial, and Public Filings Transaction and Public Information Request | 3.47 | 3.54 |
| **A.2.1. Strategy:** DOCUMENT PUBLISHING<br>Publish the Texas Register, the Texas Administrative Code, and session laws. | $ 1,149,395 | $ 922,788 & UB |
| **Efficiencies:** | | |
| Average Cost per Texas Register and Administrative Code Published | 18,042 | 17,528 |
| **Total, Goal A:** INFORMATION MANAGEMENT | $ 9,594,067 | $ 9,532,010 |
| **B. Goal:** ADMINISTER ELECTION LAWS<br>Maintain uniformity and integrity in the conduct of elections statewide while overseeing the election process in the state. | | |
| **B.1.1. Strategy:** ELECTIONS ADMINISTRATION<br>Provide statewide elections administration. | $ 2,790,212 | $ 2,790,213 |
| **Output (Volume):** | | |
| Number of Election Officials Assisted or Advised | 65,856 | 41,160 |
| **Efficiencies:** | | |
| Average Cost per Election Authority Assisted or Advised | 25.3 | 40.6 |
| **B.1.2. Strategy:** ELECTION/VOTER REGISTRATION FUNDS<br>Administer primary election funds and reimburse voter registration postage payable to counties. | $ 11,429,435 | $ 528,292 & UB |
| **B.1.3. Strategy:** CONSTITUTIONAL AMENDMENTS<br>Publish and interpret constitutional amendments. | $ 1,155,412 | $ 51,281 & UB |
| **Output (Volume):** | | |
| Number of Constitutional Amendment Translations Mailed | 1,900,000 | 0 |
| **Total, Goal B:** ADMINISTER ELECTION LAWS | $ 15,375,059 | $ 3,369,786 |
| **C. Goal:** INTERNATIONAL PROTOCOL<br>Provide protocol services; encourage cooperation on issues relating to Mexico and the border; and coordinate activities related to improving physical living conditions in colonias. | | |
| **C.1.1. Strategy:** PROTOCOL/BORDER AFFAIRS<br>Provide protocol services, and represent the Governor and the state at meetings, events and | $ 341,655 | $ 347,192 |

| | | | | |
|---|---|---|---|---|
| conferences with diplomatic corps, government officials and business leaders. | | | | |
| **C.1.2. Strategy:** COLONIAS INITIATIVES | $ | 560,276 | $ | 569,381 |
| Coordinate state agency activities and secure funding to improve physical living conditions in colonias and advocate the needs of colonias residents. | | | | |
| **Output (Volume):** | | | | |
| Count of Collaborative Meetings Coordinated | | 110 | | 110 |
| **Total, Goal C:** INTERNATIONAL PROTOCOL | $ | 901,931 | $ | 916,573 |
| **Grand Total,** SECRETARY OF STATE | $ | 25,871,057 | $ | 13,818,369 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 21,827,035 | $ | 9,799,566 |
| Appropriated Receipts | | 4,044,022 | | 4,018,803 |
| **Total, Method of Financing** | $ | 25,871,057 | $ | 13,818,369 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 248.5 | | 248.5 |
| **Schedule of Exempt Positions:** | | | | |
| Secretary of State, Group 4 | | $117,516 | | $117,516 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 9,526,527 | $ | 9,716,655 |
| Other Personnel Costs | | 276,733 | | 276,734 |
| Professional Fees and Services | | 204,451 | | 204,450 |
| Fuels and Lubricants | | 150 | | 141 |
| Consumable Supplies | | 186,174 | | 186,174 |
| Utilities | | 48,920 | | 48,920 |
| Travel | | 183,814 | | 183,816 |
| Rent - Machine and Other | | 141,070 | | 141,070 |
| Other Operating Expense | | 4,270,104 | | 2,551,253 |
| Grants | | 10,523,957 | | 0 |
| Capital Expenditures | | 509,157 | | 509,156 |
| **Total, Object-of-Expense Informational Listing** | $ | 25,871,057 | $ | 13,818,369 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Information Technology Purchases | $ | 300,000 | $ | 300,000 |
| (2) Workstation Upgrades | | 187,500 | | 187,500 |
| Total, Capital Budget | $ | 487,500 | $ | 487,500 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 97,500 | $ | 97,500 |
| Appropriated Receipts | | 390,000 | | 390,000 |
| Total, Method of Financing | $ | 487,500 | $ | 487,500 |

2. **Contingency Appropriation for Constitutional Amendments.** The amounts appropriated above in Strategy B.1.3, Constitutional Amendments, are intended to cover the costs of fulfilling the requirements of Election Code, Chapter 274, Subchapter B, and Article 17 § 1 of the Texas Constitution for 20 proposed constitutional amendments or referendum items. In the event that the number of proposed constitutional amendments or referendum items exceeds 20, or if the actual costs exceed the amounts appropriated herein, the Secretary of State is hereby appropriated from General Revenue the additional funds necessary to fulfill the aforementioned requirements.

3. **Travel Expenditures.** The Secretary of State is hereby authorized to expend funds from the above appropriations to reimburse state inspectors for travel expenses pursuant to Election Code, § 34.003.

4. **Limitation, Primary Finance.** Of the funds appropriated in Strategy B.1.2, Election/Voter Registration Funds, not more than $250,000 may be distributed to the executive committees of the state parties for the operation of the primary and runoff elections. Funds distributed to the executive committees shall be distributed to the respective parties in the ratio of the total number of primary and runoff voters in the 2004 elections.

5. **Distribution of Session Laws.** None of the funds appropriated above may be expended for the printing or distribution of session laws except for the following: (1) one copy to the Governor, (2) one copy to the lieutenant Governor, (3) one copy to the speaker of the house, (4) one copy to each court of appeals, (5) one copy to each county law library, (6) 10 copies to the Texas Legislative Council, (7) 15 copies to the Legislative Reference Library, (8) 30 copies to the State Law Library, (9) 60 copies to the Texas State Library, (10) one copy to each member of the Legislature upon request, and (11) one copy to the Legislative Budget Board.

6. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Office of the Secretary of State to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.

7. **Border Affairs Coordinator.** Out of funds appropriated above, the Secretary of State shall provide funding for a Border Affairs Coordinator to advocate for infrastructure needs, to coordinate activities related to colonias, and to promote economic development along the Texas border. In addition, the Coordinator shall encourage cooperation between the state, federal and Mexican governments in addressing issues related to the border between Texas and Mexico.

8. **Transfer Authority:** In the event the appropriations above for Strategy B.1.1, Elections Administration, are insufficient for the State to qualify for federal funding under the Help America Vote Act, the Secretary of State is authorized to transfer other appropriated funds into the Elections Administration strategy in amounts sufficient to obtain federal funds. Any restrictions found elsewhere in this Act do not apply to these appropriation transfers.

## OFFICE OF STATE-FEDERAL RELATIONS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INFLUENCE FEDERAL ACTION<br>Increase the influence of the Governor and the Legislature over federal action that has a direct or indirect economic, fiscal, or regulatory impact on the state. | | |
| **Outcome (Results/Impact):** | | |
| Texas' Proportionate Share of Federal Funding | 6.52% | 6.52% |
| Percent of Customers Satisfied with OSFR Services | 87% | 90% |
| **A.1.1. Strategy:** ACTION PLANS<br>Monitor federal funding and regulatory issues; identify issues and recommend action; and develop and implement action plans. | $ 355,912 | $ 355,913 |
| **A.1.2. Strategy:** REGULAR REPORTS<br>Distribute timely information on state-federal issues including action alerts, weekly summations of congressional actions, reports, briefings, and substantial responses to information requests from state and federal executive and legislative officials, while using the most current information, communication technologies and customer response data. | $ 19,088 | $ 19,087 |
| **Efficiencies:** | | |
| Percentage of Responses within Two Business Days | 98% | 98% |
| **Total, Goal A:** INFLUENCE FEDERAL ACTION | $ 375,000 | $ 375,000 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 84,000 | $ 84,000 |
| **Grand Total,** OFFICE OF STATE-FEDERAL RELATIONS | $ 459,000 | $ 459,000 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 375,000 | $ 375,000 |
| Interagency Contracts | 84,000 | 84,000 |
| **Total, Method of Financing** | $ 459,000 | $ 459,000 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 2.0 | 2.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 3 | $98,625 | $98,625 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 129,140 | $ 129,140 |
| Other Personnel Costs | 142,814 | 142,815 |
| Operating Costs | 84,000 | 84,000 |
| Rent - Building | 89,677 | 89,677 |
| Other Operating Expense | 13,369 | 13,368 |
| **Total, Object-of-Expense Informational Listing** | $ 459,000 | $ 459,000 |

## OFFICE OF STATE-FEDERAL RELATIONS
(Continued)

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

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

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

2. **Information and Assistance Requirements.** It is the intent of the Legislature that funds appropriated above be expended in a manner which provides information and assistance to both the legislative and executive branches of Texas State Government and that the funds be used to operate the office in a manner which is politically non-partisan.

3. **Reports on Increasing Federal Funds.** It is the intent of the Legislature that the Office of State-Federal Relations work with state agencies to identify and report to the Legislature on possible changes in state laws which could increase the amount of federal funds received by the state, and on changes to federal laws which could impact state funding of federal programs, or the state's receipt of federal funds.

4. **Interagency Contracts.** Consistent with the method of financing for the Office of State-Federal Relations (OSFR), state agencies and institutions of higher education that are represented by their employees in the Washington, DC office of the OSFR shall be charged for their portion of operating expenses, rent, and administrative staff costs, not to exceed $1,000 per month, per agency.

5. **Unexpended Balances: Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Office of State-Federal Relations are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

## VETERANS COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** ASSIST IN VETERANS' CLAIMS<br>Through effective training, marketing and advocacy, provide effective representation and assistance on issues and claims to veterans, their dependents, and their survivors on obtaining veterans' benefits to which they are entitled. | | |
| **Outcome (Results/Impact):** | | |
| Amount of VA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation of Veterans with Service Connected Disabilities | 735 | 770 |
| Amount of VA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation for Widows or Orphans of Veterans | 185 | 190 |

## VETERANS COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.1. Strategy:** CLAIMS ASSISTANCE<br>Provide outreach services and advocacy in claims by veterans, their widows, and their orphans by Texas Veterans Commission personnel and through Veterans County Service Officers. | $ | 3,457,866 | $ | 3,457,866 |
| **Output (Volume):** | | | | |
| Number of Claims for Veterans Benefits Filed and Developed on Behalf of Veterans with Service-connected Disabilities | | 48,000 | | 48,000 |
| Number of Active Veterans Benefits Cases for Veterans, Their Widows, or Their Orphans Represented by the Texas Veterans Commission | | 116,000 | | 117,000 |
| Number of Appeals of Unfavorable Veterans Affairs Decisions Filed on Behalf of Veterans, Their Widows, or Their Orphans | | 8,500 | | 8,500 |
| **Grand Total,** VETERANS COMMISSION | $ | 3,457,866 | $ | 3,457,866 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 93.0 | | 93.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $74,000 | | $74,000 |
| Per Diem of Commission Members | | 3,000 | | 3,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,104,365 | $ | 3,104,365 |
| Other Personnel Costs | | 53,760 | | 53,760 |
| Professional Fees and Services | | 22,500 | | 22,500 |
| Consumable Supplies | | 20,750 | | 20,750 |
| Utilities | | 2,625 | | 2,625 |
| Travel | | 115,000 | | 115,000 |
| Rent - Machine and Other | | 6,000 | | 6,000 |
| Other Operating Expense | | 132,866 | | 132,866 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,457,866 | $ | 3,457,866 |

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS<br>Provide an actuarially sound level of funding as defined by state law. Estimated. | $ | 21,482,069 | $ | 19,889,081 |
| **A.1.2. Strategy:** GROUP INSURANCE<br>Provide a basic health care and life insurance program for general state employees. Estimated. | $ | 43,403,357 | $ | 43,816,133 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ | 64,885,426 | $ | 63,705,214 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ | 64,885,426 | $ | 63,705,214 |

## RETIREMENT AND GROUP INSURANCE
(Continued)

| | | |
|---|---|---|
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 49,432,986 | $ 48,455,882 |
| General Revenue Dedicated Accounts, estimated | 2,184,563 | 2,104,427 |
| State Highway Fund No. 006, estimated | 558,892 | 546,473 |
| Federal Funds, estimated | 12,116,425 | 12,020,055 |
| Other Special State Funds, estimated | 592,560 | 578,377 |
| **Total, Method of Financing** | $ 64,885,426 | $ 63,705,214 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 26,926,257 | $ 27,149,765 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 4,621,866 | $ 4,386,151 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 31,548,123 | $ 31,535,916 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 31,548,123 | $ 31,535,916 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 25,521,878 | $ 25,491,243 |
| General Revenue Dedicated Accounts, estimated | 758,254 | 759,037 |
| State Highway Fund No. 006, estimated | 293,277 | 294,350 |
| Federal Funds, estimated | 4,690,424 | 4,704,955 |
| Other Special State Funds, estimated | 284,290 | 286,331 |
| **Total, Method of Financing** | $ 31,548,123 | $ 31,535,916 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE | $ 1,896,717 | $ 2,429,050 & UB |
| Make general obligation bond debt service payments on time. | | |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ 1,896,717 | $ 2,429,050 |

## LEASE PAYMENTS

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

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Commission on the Arts | $ 1,999,858 | $ 1,899,858 |
| Office of the Attorney General | 108,181,900 | 108,070,851 |
| Bond Review Board | 516,967 | 516,967 |
| Building and Procurement Commission | 32,517,446 | 31,540,575 |
| Comptroller of Public Accounts | 194,542,827 | 194,539,632 |
| Fiscal Programs - Comptroller of Public Accounts | 168,958,014 | 164,204,015 |
| Employees Retirement System | 6,508,651 | 6,556,164 |
| Texas Ethics Commission | 1,891,040 | 1,891,040 |
| Public Finance Authority | 505,080 | 505,080 |
| Fire Fighters' Pension Commissioner | 98,250 | 98,250 |
| Office of the Governor | 8,759,694 | 7,909,695 |
| Trusteed Programs Within the Office of the Governor | 14,722,697 | 5,762,564 |
| Historical Commission | 5,414,918 | 3,161,121 |
| Commission on Human Rights | 722,464 | 722,463 |
| Department of Information Resources | 2,888,548 | 2,888,548 |
| Rider Appropriations | 3,855,419 | 0 |
| Total | 6,743,967 | 2,888,548 |
| Library & Archives Commission | 12,056,420 | 12,078,762 |
| Pension Review Board | 283,583 | 320,023 |
| Preservation Board | 13,348,037 | 12,006,021 |
| State Office of Risk Management | 6,001,757 | 4,130,737 |
| Secretary of State | 21,827,035 | 9,799,566 |
| Office of State-Federal Relations | 375,000 | 375,000 |
| Veterans Commission | 3,457,866 | 3,457,866 |
| Subtotal, General Government | $ 609,433,471 | $ 572,434,798 |
| Retirement and Group Insurance | 49,432,986 | 48,455,882 |
| Social Security and Benefit Replacement Pay | 25,521,878 | 25,491,243 |
| Subtotal, Employee Benefits | $ 74,954,864 | $ 73,947,125 |
| Bond Debt Service Payments | 1,896,717 | 2,429,050 |
| Lease Payments | 10,102,890 | 19,541,711 |
| Subtotal, Debt Service | $ 11,999,607 | $ 21,970,761 |
| TOTAL, ARTICLE I - GENERAL GOVERNMENT | $ 696,387,942 | $ 668,352,684 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Commission on the Arts | $ 700,000 | $ 650,000 |
| Office of the Attorney General | 73,084,370 | 76,536,752 |
| Building and Procurement Commission | 2,603,105 | 2,603,105 |
| Comptroller of Public Accounts | 160,515 | 163,710 |
| Fiscal Programs - Comptroller of Public Accounts | 52,591,965 | 18,075,741 |
| Commission on State Emergency Communications | 46,692,414 | 46,712,086 |
| Trusteed Programs Within the Office of the Governor | 27,500,000 | 27,500,000 |
| Historical Commission | 503,722 | 500,000 |
| Library & Archives Commission | 6,057,500 | 6,057,500 |
| Subtotal, General Government | $ 209,893,591 | $ 178,798,894 |
| Retirement and Group Insurance | 2,184,563 | 2,104,427 |
| Social Security and Benefit Replacement Pay | 758,254 | 759,037 |
| Subtotal, Employee Benefits | $ 2,942,817 | $ 2,863,464 |
| TOTAL, ARTICLE I - GENERAL GOVERNMENT | $ 212,836,408 | $ 181,662,358 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Commission on the Arts | $ 760,000 | $ 760,000 |
| Office of the Attorney General | 176,399,777 | 178,871,344 |
| Fiscal Programs - Comptroller of Public Accounts | 925,421 | 925,421 |
| Trusteed Programs Within the Office of the Governor | 101,245,475 | 100,765,645 |
| Historical Commission | 839,171 | 838,237 |
| Commission on Human Rights | 1,212,576 | 1,212,577 |
| Library & Archives Commission | 10,009,700 | 10,109,200 |
| Subtotal, General Government | $ 291,392,120 | $ 293,482,424 |
| Retirement and Group Insurance | 12,116,425 | 12,020,055 |
| Social Security and Benefit Replacement Pay | 4,690,424 | 4,704,955 |
| Subtotal, Employee Benefits | $ 16,806,849 | $ 16,725,010 |
| TOTAL, ARTICLE I - GENERAL GOVERNMENT | $ 308,198,969 | $ 310,207,434 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Aircraft Pooling Board | $ 3,661,068 | $ 3,660,494 |
| Rider Appropriations | 970,159 | 0 |
| Total | 4,631,227 | 3,660,494 |
| Commission on the Arts | 1,314,913 | 1,414,914 |
| Office of the Attorney General | 18,664,192 | 18,599,701 |
| Building and Procurement Commission | 21,612,605 | 11,714,287 |
| Comptroller of Public Accounts | 276,270 | 276,270 |
| Texas Ethics Commission | 25,000 | 25,000 |
| Public Finance Authority | 262,863 | 262,720 |
| Fire Fighters' Pension Commissioner | 365,543 | 372,350 |
| Office of the Governor | 353,000 | 353,000 |
| Trusteed Programs Within the Office of the Governor | 77,000 | 77,000 |
| Historical Commission | 27,429,854 | 1,708,962 |
| Commission on Human Rights | 246,676 | 246,676 |
| Department of Information Resources | 81,885,902 | 83,857,505 |
| Library & Archives Commission | 2,253,417 | 2,283,769 |
| Preservation Board | 31,549 | 31,549 |
| State Office of Risk Management | 2,109,254 | 4,521,968 |
| Workers' Compensation Payments | 83,300,000 | 83,300,000 |
| Secretary of State | 4,044,022 | 4,018,803 |
| Office of State-Federal Relations | 84,000 | 84,000 |
| Subtotal, General Government | $ 248,967,287 | $ 216,808,968 |
| Retirement and Group Insurance | 1,151,452 | 1,124,850 |
| Social Security and Benefit Replacement Pay | 577,567 | 580,681 |
| Subtotal, Employee Benefits | $ 1,729,019 | $ 1,705,531 |
| Lease Payments | 9,512,788 | 0 |
| Subtotal, Debt Service | $ 9,512,788 | $ 0 |
| Less Interagency Contracts | $ 177,296,367 | $ 180,555,487 |
| TOTAL, ARTICLE I - GENERAL GOVERNMENT | $ 82,912,727 | $ 37,959,012 |

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

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Aircraft Pooling Board | $ 3,661,068 | $ 3,660,494 |
| Rider Appropriations | 970,159 | 0 |
| Total | 4,631,227 | 3,660,494 |
| Commission on the Arts | 4,774,771 | 4,724,772 |
| Office of the Attorney General | 376,330,239 | 382,078,648 |
| Bond Review Board | 516,967 | 516,967 |
| Building and Procurement Commission | 56,733,156 | 45,857,967 |
| Comptroller of Public Accounts | 194,979,612 | 194,979,612 |
| Fiscal Programs - Comptroller of Public Accounts | 222,475,400 | 183,205,177 |
| Commission on State Emergency Communications | 46,692,414 | 46,712,086 |
| Employees Retirement System | 6,508,651 | 6,556,164 |
| Texas Ethics Commission | 1,916,040 | 1,916,040 |
| Public Finance Authority | 767,943 | 767,800 |
| Fire Fighters' Pension Commissioner | 463,793 | 470,600 |
| Office of the Governor | 9,112,694 | 8,262,695 |
| Trusteed Programs Within the Office of the Governor | 143,545,172 | 134,105,209 |
| Historical Commission | 34,187,665 | 6,208,320 |
| Commission on Human Rights | 2,181,716 | 2,181,716 |
| Department of Information Resources | 84,774,450 | 86,746,053 |
| Rider Appropriations | 3,855,419 | 0 |
| Total | 88,629,869 | 86,746,053 |
| Library & Archives Commission | 30,377,037 | 30,529,231 |
| Pension Review Board | 283,583 | 320,023 |
| Preservation Board | 13,379,586 | 12,037,570 |
| State Office of Risk Management | 8,111,011 | 8,652,705 |
| Workers' Compensation Payments | 83,300,000 | 83,300,000 |
| Secretary of State | 25,871,057 | 13,818,369 |
| Office of State-Federal Relations | 459,000 | 459,000 |
| Veterans Commission | 3,457,866 | 3,457,866 |
| Subtotal, General Government | $ 1,359,686,469 | $ 1,261,525,084 |
| Retirement and Group Insurance | 64,885,426 | 63,705,214 |
| Social Security and Benefit Replacement Pay | 31,548,123 | 31,535,916 |
| Subtotal, Employee Benefits | $ 96,433,549 | $ 95,241,130 |
| Bond Debt Service Payments | 1,896,717 | 2,429,050 |
| Lease Payments | 19,615,678 | 19,541,711 |
| Subtotal, Debt Service | $ 21,512,395 | $ 21,970,761 |
| Less Interagency Contracts | $ 177,296,367 | $ 180,555,487 |
| TOTAL, ARTICLE I - GENERAL GOVERNMENT | $ 1,300,336,046 | $ 1,198,181,488 |
| Number of Full-Time-Equivalent Positions (FTE) | 8,950.7 | 8,916.7 |

# ARTICLE II

## HEALTH AND HUMAN SERVICES

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

## DEPARTMENT ON AGING

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SERVICES AND OPPORTUNITIES<br>To enable older Texans to live dignified, independent, and productive lives within a safe living environment through an accessible, locally-based, comprehensive and coordinated continuum of services and opportunities. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Older Population Receiving Services Who Are Moderately to Severely Impaired | 25% | 25% |
| Percent of Older Population Receiving Services Who Remained Independent Due to Services | 85% | 82% |
| Percent of Nursing Homes with a Certified Ombudsman | 90% | 92% |
| **A.1.1. Strategy:** CONNECTIONS<br>Provide a statewide, locally-based system that connects people with the services and benefits they need through ombudsman services, care coordination, information referral and assistance, and legal assistance. | $ 21,144,602 | $ 21,635,277 |
| **Output (Volume):** | | |
| Number of Certified Ombudsmen | 1,123 | 1,179 |
| Number of Persons Receiving Care Coordination | 13,792 | 14,074 |
| Number of Unlicensed Assisted Living Facilities Identified | 140 | 140 |
| **Efficiencies:** | | |
| Statewide Average TDOA Cost Per Certified Ombudsman | 2,698 | 2,621 |
| Statewide Average TDOA Cost Per Care Coordination Client | 203 | 202 |
| **A.1.2. Strategy:** NUTRITION SERVICES<br>Provide a statewide, locally-based system of nutrition services that includes meals, counseling, and education designed to promote good health and to prevent illness. | $ 33,074,853 | $ 33,748,098 |
| **Output (Volume):** | | |
| Number of Congregate Meals Served | 4,261,038 | 4,239,991 |
| Number of Persons Receiving Home-delivered Meals | 45,752 | 46,903 |
| Number of Home-delivered Meals Served | 4,168,605 | 4,164,191 |
| **Efficiencies:** | | |
| Statewide Average TDOA Cost Per Congregate Meal | 3.75 | 3.81 |
| Statewide Average TDOA Cost Per Home-delivered Meal | 3.98 | 4.05 |
| **A.1.3. Strategy:** INDEPENDENCE/PRODUCTIVITY<br>Provide a statewide, locally-based system of services designed to maintain personal independence through the provision of supportive services, transportation, and senior center activities; and provide opportunities for increased personal productivity through community service volunteering. | $ 17,230,077 | $ 17,127,902 |
| **Output (Volume):** | | |
| Number of Persons Receiving Homemaker Services | 4,791 | 4,950 |
| Number of One-way Trips | 1,242,207 | 1,246,525 |

# DEPARTMENT ON AGING
(Continued)

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Statewide Average TDOA Cost Per Person Receiving Homemaker Services | | 401 | | 400 |
| Statewide Average TDOA Cost Per One-way Trip | | 4.29 | | 4.33 |
| **Total, Goal A:** SERVICES AND OPPORTUNITIES | $ | 71,449,532 | $ | 72,511,277 |
| **B. Goal:** DIRECT AND INDIRECT ADMIN<br>Direct and Indirect administrative and support costs. | | | | |
| **B.1.1. Strategy:** DIRECT AND INDIRECT ADMIN<br>Direct and indirect administrative and support costs. | $ | 3,457,153 | $ | 3,457,153 |
| **Grand Total,** DEPARTMENT ON AGING | $ | 74,906,685 | $ | 75,968,430 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 3,091,583 | $ | 3,031,463 |
| Earned Federal Funds | | 25,000 | | 25,000 |
| GR Match for Federal Funds (Department on Aging) | | 4,072,801 | | 4,132,920 |
| Subtotal, General Revenue Fund | $ | 7,189,384 | $ | 7,189,383 |
| Federal Funds | | 67,717,301 | | 68,779,047 |
| **Total, Method of Financing** | $ | 74,906,685 | $ | 75,968,430 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 35.0 | | 35.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| Board Member Per Diem | | (9) 4,400 | | (9) 4,400 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,693,301 | $ | 1,794,899 |
| Professional Fees and Services | | 521,138 | | 521,138 |
| Consumable Supplies | | 21,764 | | 22,417 |
| Utilities | | 50,836 | | 50,836 |
| Travel | | 65,636 | | 65,636 |
| Rent - Building | | 3,902 | | 3,902 |
| Rent - Machine and Other | | 13,429 | | 13,429 |
| Other Operating Expense | | 687,147 | | 584,896 |
| Grants | | 71,849,532 | | 72,911,277 |
| **Total, Object-of-Expense Informational Listing** | $ | 74,906,685 | $ | 75,968,430 |

1. **Data on RSVP Matching Funds Required.** It is the intent of the Legislature that the Department on Aging maintain data on the amount of matching funds required for federal grants to local retired senior volunteer programs. By October 1 of each fiscal year, the department shall submit to the Legislative Budget Board and the Governor a report in such detail as the two offices may require.

2. **Unit Cost Reporting Required.** It is the intent of the Legislature that the Department on Aging maintain a reporting system that clearly and accurately identifies the unit cost of each service provided by each Area Agency on Aging for all strategies, except for volunteer services in A.1.3, and that the results of this unit cost reporting be provided to the Legislative Budget Board and the Governor semi-annually and in a form that the two offices may require.

3. **Memorandum of Agreement.** It is the intent of the Legislature that the Department on Aging maintain a Memorandum of Agreement with the Department of Human Services which specifies that there will be no duplication of services to older persons served by the Department on Aging and older persons served by the Department of Human Services.

4. **Appropriation and Unexpended Balances: Affordable Housing for the Elderly**. Funds appropriated above include fees collected pursuant to § 394.902, Local Government Code, and § 101.022, Human Resources Code, as amended, for the purpose of promoting affordable housing for the elderly ($360,000 for the biennium). The Department on Aging shall submit a report to the Legislative Budget Board and the Governor by October 1 of each year. The report shall identify for the prior fiscal year the amount of fees collected and deposited into the General Revenue Fund, the dollar value of grants issued with such funds, the number of persons or entities receiving grants, and the specific purposes for which grants were issued.

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

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

5. **Area Agencies on Aging.** It is the intent of the Legislature that if the Department on Aging plans to alter local planning and service areas in effect on September 1, 2003, that the department receive approval from the Health and Human Services Commission and that the Governor and the Legislative Budget Board be notified before the adoption of such plans.

## COMMISSION ON ALCOHOL AND DRUG ABUSE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SERVICES DISTRIBUTION<br>Provide for the delivery of substance abuse prevention, intervention, and treatment services based on need throughout the state. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Youth Who Receive Treatment Services and Report No Past Month Substance Use at Follow-up | 84% | 84% |
| Percent of Adults Who Receive Treatment Services and Report No Past Month Substance Use at Follow-up | 80% | 80% |
| Percent of Unemployed Adults Who Complete Treatment Programs and Report Being Employed or Engaged in Productive Activities at Follow-up | 62% | 62% |
| Percent of Youth Who Receive Treatment Services and Report Improvement in School Attendance at Follow-up | 71% | 71% |
| **A.1.1. Strategy:** PREVENTION SERVICES<br>Implement community and family based prevention services to increase resilience and reduce the risk of chemical use, abuse and dependency in Texas. | $ 27,690,615 | $ 26,603,578 |
| **Output (Volume):** | | |
| Number of Adults Served in Prevention Programs | 149,823 | 143,716 |
| Number of Youth Served in Prevention Programs | 437,518 | 419,685 |

| | | | | |
|---|---|---|---|---|
| **A.1.2. Strategy:** INTERVENTION SERVICES | $ | 30,481,593 | $ | 30,252,197 |
| Implement community and family based intervention services to interrupt the illegal use of alcohol, tobacco, and other drugs by youth and to break the cycle of harmful use of legal substances and all use of illegal substances by adults. | | | | |
| **Output (Volume):** | | | | |
| Number of Adults Served in Intervention Programs | | 144,857 | | 143,767 |
| Number of Youth Served in Intervention Programs | | 104,171 | | 103,387 |
| **Efficiencies:** | | | | |
| Average Cost Per Adult for Intervention Services | | 80.6 | | 80.6 |
| Average Cost Per Youth for Intervention Services | | 180.53 | | 180.53 |
| **A.1.3. Strategy:** TREATMENT SERVICES | $ | 88,565,517 | $ | 87,936,209 |
| Implement a continuum of community and family based treatment and related services for chemically dependent persons. | | | | |
| **Output (Volume):** | | | | |
| Number of Adults Served in Treatment Programs | | 39,131 | | 38,812 |
| Number of Youth Served in Treatment Programs | | 4,769 | | 4,735 |
| **Efficiencies:** | | | | |
| Average Cost Per Adult Served in Treatment Programs | | 1,706 | | 1,706 |
| **Explanatory:** | | | | |
| Percent of Adults Completing Treatment Programs | | 68% | | 68% |
| Percent of Youth Completing Treatment Programs | | 59% | | 59% |
| **A.1.4. Strategy:** CRIMINAL JUSTICE TREATMENT | $ | 3,250,000 | $ | 3,250,000 |
| Provide criminal justice based chemical dependency services. | | | | |
| **A.2.1. Strategy:** COMPULSIVE GAMBLING | $ | 375,000 | $ | 375,000 |
| Provide problem gambling awareness and prevention services. | | | | |
| **Total, Goal A:** SERVICES DISTRIBUTION | $ | 150,362,725 | $ | 148,416,984 |
| **B. Goal:** QUALITY ASSURANCE | | | | |
| Ensure value, safety and accountability of substance abuse prevention, intervention, and treatment services. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of TCADA-funded Programs Meeting Performance Targets | | 77% | | 79% |
| **B.1.1. Strategy:** COMPLIANCE | $ | 4,918,113 | $ | 4,828,948 |
| Verify and enforce compliance with regulatory and funding requirements. | | | | |
| **Output (Volume):** | | | | |
| Number of Field Audits Performed | | 95 | | 95 |
| **Efficiencies:** | | | | |
| Median Time (in Days) for Facility License Issuance | | 118 | | 118 |
| **B.1.2. Strategy:** PERFORMANCE MANAGEMENT | $ | 3,198,241 | $ | 3,147,881 |
| Optimize performance quality and cost efficiency through the funding, managing, and monitoring of services. | | | | |
| **Output (Volume):** | | | | |
| Number of Provider Performance Reviews Conducted | | 1,936 | | 1,936 |
| **Total, Goal B:** QUALITY ASSURANCE | $ | 8,116,354 | $ | 7,976,829 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,982,881 | $ | 2,931,577 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 1,041,835 | $ | 1,021,722 |

## COMMISSION ON ALCOHOL AND DRUG ABUSE
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 172,158 | $ | 160,281 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 4,196,874 | $ | 4,113,580 |
| **Grand Total,** COMMISSION ON ALCOHOL AND DRUG ABUSE | $ | 162,675,953 | $ | 160,507,393 |
| **Method of Financing:** | | | | |
| GR for Substance Abuse Prevention and Treatment Block Grant | $ | 26,955,333 | $ | 26,955,333 |
| Federal Funds | | 133,693,782 | | 131,525,222 |
| Other Funds | | | | |
| Appropriated Receipts | | 771,750 | | 771,750 |
| Interagency Contracts | | 1,255,088 | | 1,255,088 |
| Subtotal, Other Funds | $ | 2,026,838 | $ | 2,026,838 |
| **Total, Method of Financing** | $ | 162,675,953 | $ | 160,507,393 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 198.0 | | 198.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 4 | | $100,000 | | $100,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 9,021,398 | $ | 8,852,961 |
| Other Personnel Costs | | 117,598 | | 115,351 |
| Operating Costs | | 6,832,754 | | 6,585,141 |
| Grants | | 146,681,011 | | 144,931,183 |
| Capital Expenditures | | 23,192 | | 22,757 |
| **Total, Object-of-Expense Informational Listing** | $ | 162,675,953 | $ | 160,507,393 |

1. **Screening of Alcoholics and Drug Abusers Authorized.** From funds appropriated above, the Texas Commission on Alcohol and Drug Abuse may grant, through contract, funds to support the screening of alcoholics and drug abusers prior to institutionalization in a state facility. The Commission may furthermore develop new alternatives to the institutionalization of alcoholics and drug abusers through services provided by community mental health centers and alcohol and drug abuse providers.

2. **Data Collection Required.** The commission is required to collect billing, services, and client information from contractors on a monthly basis. Data shall be collected on the services provided to minority populations, including Native Americans. The commission also shall document the expenditure of funds for training of personnel, staff development, public information, and other services that cannot be measured by direct client outcome.

3. **Agreements With Native American Population Authorities.** The Texas Commission on Alcohol and Drug Abuse may enter into agreements with Native American population authorities for the provision of substance abuse programs aimed at dealing with the prevention, intervention and treatment of alcoholics and drug abusers among the Native American population.

4. **Priority Populations Defined.** The Legislature designates the following priority populations of the commission:

   a. youth who currently are at risk of using or abusing, who currently abuse, or have abused, substances including youth in or referred by the juvenile justice system;
   b. people who have or are at risk of having human immunodeficiency virus infection through substance abusing behavior;
   c. substance abusers who have now, or who have at one time, entered the criminal justice system;
   d. substance abusers who are at risk of institutionalization or who currently are served in mental health facilities;
   e. substance abusers who have had children placed under the conservatorship of the Department of Protective and Regulatory Services;
   f. youth at-risk of selling controlled substances;
   g. women with children or women of child bearing years; and
   h. indigent veterans having received an honorable discharge.

5. **Youth At Risk of Selling Controlled Substances.** Out of funds appropriated above, the commission shall plan, develop, coordinate, evaluate, and implement constructive methods and programs to provide wholesome alternatives for youth at risk of selling controlled substances.

6. **Coordination of Support Services.** Out of the funds appropriated above, the commission is directed to enter into formal agreements with other health and human service agencies to facilitate referral and access for its clients to other needed ancillary services as determined by the client's treatment plan. Each client's treatment plan is to contain complete and appropriate medical, educational and/or vocational objectives that meet the needs of clients. The commission shall provide technical aids and assistance to ensure that clients are provided or are referred to appropriate services. The commission shall monitor its contractors to gauge the performance of its contractors regarding the provision and/or referral of clients to appropriate services. The commission shall evaluate the impact that supportive services may have upon achieving successful treatment outcomes.

7. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities in strategy item B.1.1, Compliance, as well as the "other direct and indirect costs" associated with this function, appropriated elsewhere in this Act. "Other direct and indirect costs" for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities are estimated to be $180,285 for fiscal year 2004 and $184,436 for fiscal year 2005. In the event that actual and/or projected fee revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

8. **Compulsive Gambling Prevention Programs.** The Texas Commission on Alcohol and Drug Abuse shall enter into an interagency agreement with the Lottery Commission by which the Lottery Commission shall provide $375,000 for each year of the biennium to the Commission on Alcohol and Drug Abuse to maintain the Problem Gambler's Hotline.

9. **Notification of Intent to Utilize Federal Grant Funds.**
   a. Use of Funds for Services Previously Funded From Other Sources.
      The Commission on Alcohol and Drug Abuse (TCADA) shall notify the Legislative Budget Board and the Governor of its intent to use additional Substance Abuse Prevention and Treatment grant funds in excess of the amounts specifically appropriated in the strategies

above to fund services previously funded from other federal sources. This notification shall include the services to be provided, the original source of funding for the program or services, and the amount of the grant funds to be used. The notification shall be submitted at least 30 days prior to allocations made out of funds appropriated above.

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

10. **Advisory Committee Members.** Pursuant to Government Code, § 2110.004, Reimbursement of Expenses, funds appropriated above not to exceed $85,109 per year may be expended to reimburse advisory committee members of the Statewide Planning Committee, Drug Demand Reduction Committee, and State Incentive Grant Committee. It is the intent of the Legislature that the membership of the Statewide Planning Committee reflect the diversity of the population served by the Commission on Alcohol and Drug Abuse.

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

11. **Criminal Justice/Substance Abuse Initiative.** The commission shall transfer $6,500,000 for the biennium for the Treatment Alternative to Incarceration Program to the Texas Department of Criminal Justice for the provision of substance abuse treatment programs for probationers.

## COMMISSION FOR THE BLIND

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INDEPENDENT LIVING<br>To assist Texans who are blind or visually impaired to live as independently as possible consistent with their capabilities. | | |
| **Outcome (Results/Impact):**<br>Percent of Consumers Whose Dependent Living Risk Was Diminished | 98% | 98% |
| **A.1.1. Strategy:** INDEPENDENT LIVING SKILLS<br>To provide a program of developing independent living skills. | $ 2,356,320 | $ 2,652,390 |
| **Output (Volume):**<br>Number of Consumers Served | 4,730 | 4,890 |
| **Efficiencies:**<br>Average Cost per Consumer Served | 552 | 600 |

| | | | | |
|---|---|---|---|---|
| **A.2.1. Strategy:** HABILITATIVE SERVICES FOR CHILDREN | $ | 2,579,469 | $ | 2,637,629 |
| To provide habilitative services to blind and visually impaired children. | | | | |
| **Output (Volume):** | | | | |
| Number of Children Receiving Habilitative Services | | 3,062 | | 2,946 |
| **Efficiencies:** | | | | |
| Average Cost per Child Served | | 933 | | 990 |
| **A.2.2. Strategy:** BLINDNESS EDUCATION | $ | 619,928 | $ | 619,928 |
| Blindness Education, Screening and Treatment Program. | | | | |
| **Total, Goal A:** INDEPENDENT LIVING | $ | 5,555,717 | $ | 5,909,947 |
| **B. Goal:** MAINTAIN EMPLOYMENT | | | | |
| To assist Texans who are blind or visually impaired to secure or maintain employment in careers consistent with their skills, abilities, and interests. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Consumers Completing Program Services Who Were Satisfied with Services | | 95% | | 95% |
| **B.1.1. Strategy:** VOCATIONAL REHABILITATION | $ | 35,450,298 | $ | 36,236,785 |
| To provide vocational rehabilitation services to persons who are blind or visually impaired. | | | | |
| **Output (Volume):** | | | | |
| Number of Consumers Served | | 10,498 | | 10,150 |
| **Efficiencies:** | | | | |
| Average Cost per Consumer Served | | 3,795 | | 4,005 |
| **B.1.2. Strategy:** BUSINESS ENTERPRISES OF TEXAS | $ | 2,163,392 | $ | 2,186,160 |
| To provide employment opportunities in the food service industry for persons who are blind and visually impaired. | | | | |
| **Output (Volume):** | | | | |
| Number of Consumers Employed | | 116 | | 121 |
| **Efficiencies:** | | | | |
| Average Program Administration Cost per Consumer | | 11,108 | | 10,752 |
| **B.1.3. Strategy:** BUSN ENTERPRISES OF TEX TRUST FUND | $ | 410,000 | $ | 410,000 |
| To administer trust funds for retirement and benefits program for individuals licensed to operate vending machines under Business Enterprises of Texas (estimated and nontransferable). | | | | |
| **Total, Goal B:** MAINTAIN EMPLOYMENT | $ | 38,023,690 | $ | 38,832,945 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,810,564 | $ | 2,860,870 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 867,602 | $ | 864,940 |
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 967,848 | $ | 960,633 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 4,646,014 | $ | 4,686,443 |
| **Grand Total,** COMMISSION FOR THE BLIND | $ | 48,225,421 | $ | 49,429,335 |

## COMMISSION FOR THE BLIND
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 2,753,534 | $ | 2,750,655 |
| GR Match for Medicaid | | 169,371 | | 170,997 |
| GR for Vocational Rehabilitation | | 7,651,431 | | 7,651,433 |
| Subtotal, General Revenue Fund | $ | 10,574,336 | $ | 10,573,085 |
| General Revenue Fund - Dedicated | | | | |
| Business Enterprises of Texas Trust Fund | | 410,000 | | 410,000 |
| Business Enterprises of Texas Account No. 492 | | 1,462,183 | | 1,462,183 |
| Subtotal, General Revenue Fund - Dedicated | $ | 1,872,183 | $ | 1,872,183 |
| Federal Funds | | 35,504,753 | | 36,709,918 |
| Other Funds | | | | |
| Appropriated Receipts | | 82,750 | | 82,750 |
| Blind Commission Endowment Fund No. 493 | | 121,399 | | 121,399 |
| Interagency Contracts | | 70,000 | | 70,000 |
| Subtotal, Other Funds | $ | 274,149 | $ | 274,149 |
| **Total, Method of Financing** | $ | 48,225,421 | $ | 49,429,335 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 617.5 | | 617.5 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $80,000 | | $80,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 21,807,103 | $ | 22,523,181 |
| Other Personnel Costs | | 576,414 | | 620,177 |
| Professional Fees and Services | | 1,323,256 | | 1,051,202 |
| Fuels and Lubricants | | 9,130 | | 9,221 |
| Consumable Supplies | | 343,659 | | 357,246 |
| Utilities | | 642,854 | | 649,282 |
| Travel | | 1,062,876 | | 1,075,080 |
| Rent - Building | | 1,137,747 | | 1,160,473 |
| Rent - Machine and Other | | 696,709 | | 629,751 |
| Other Operating Expense | | 1,681,735 | | 1,793,082 |
| Client Services | | 17,335,254 | | 18,063,751 |
| Capital Expenditures | | 1,608,684 | | 1,496,889 |
| **Total, Object-of-Expense Informational Listing** | $ | 48,225,421 | $ | 49,429,335 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | |
| (1) Repair and Maintenance of Heating and Cooling Systems | $ 96,000 | $ 350,000 |
| (2) Repair and Replace Building Fixtures | 0 | 53,376 |
| (3) Security System | 26,949 | 0 |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ 122,949 | $ 403,376 |
| b. Acquisition of Information Resource Technologies | | |
| (1) Desktop Services Lease for Personal Computers | 609,959 | 543,000 |
| (2) Refresh Computer Hardware | 98,964 | 47,696 |
| (3) Refresh Computer Software | 329,462 | 115,317 |
| (4) Telephone Systems | 83,350 | 0 |
| Total, Acquisition of Information Resource Technologies | $ 1,121,735 | $ 706,013 |
| c. Transportation Items | | |
| (1) Vehicles | 24,000 | 47,500 |
| d. Acquisition of Capital Equipment and Items | | |
| (1) Establish and Refurbish Food Service Facilities | 340,000 | 340,000 |
| Total, Capital Budget | $ 1,608,684 | $ 1,496,889 |
| Method of Financing (Capital Budget): | | |
| General Revenue Fund | $ 1,679 | $ 1,143 |
| GR Dedicated - Business Enterprises of Texas Account No. 492 | 340,000 | 340,000 |
| Federal Funds | 1,267,005 | 1,155,746 |
| Total, Method of Financing | $ 1,608,684 | $ 1,496,889 |

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

3. **Employee Work Assignments.** Employees assigned to the Criss Cole Rehabilitation Center or to special project facilities operated by the agency may, to the extent required for the effective direct provision of services to clients, be excepted from usual state policies regarding working hours, working days, and holidays. Insofar as possible, the work days and work hours of such employees shall be determined according to a system comparable to that used by other state-operated special schools, hospitals, institutions or other facilities providing residential services to eligible individuals.

4. **Reimbursement of Services.** In order to reimburse equitably the appropriation items hereinabove made from which expenditures are made for services to employees and guests of the Criss Cole Rehabilitation Center or other residential facilities operated by the Commission for the Blind, the Commission for the Blind shall establish such reimbursement rates and rules as might be necessary to assure reimbursement at rates not less than the rates of reimbursement required by institutions, agencies or offices under the jurisdiction of the Board of Health, Board of Mental Health and Mental Retardation and the Texas Youth Commission.

5. **Appropriation of Federal Medicaid Receipts.** The Commission for the Blind shall certify and/or transfer appropriated state funds to the Texas Medicaid Single State Agency so that federal financial participation can be claimed for Medicaid services. Such federal receipts are hereby appropriated to the commission to provide rehabilitative services to blind and visually impaired children.

6. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above not to exceed $14,505 per year, is limited to the following advisory committees: State Independent Living Council and the Elected Committee of Managers.

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

7. **Notification of Federal Funds Distribution.** The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor at least 14 days prior to the expenditure of more than $31,830,523 in fiscal year 2004 or $32,694,201 in fiscal year 2005 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the method of finance as federal funds above, in either fiscal year 2004 or 2005. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue funds appropriated for the subsequent state fiscal year. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.

8. **Appropriation of Donations.** Included in the amounts above in Strategy A.2.2. is $1,239,856 for the biennium for the Blindness Education, Screening, and Treatment Program, contingent upon the generation of funds through donations. Revenues received from donations made in fiscal year 2004 and fiscal year 2005, in amounts not to exceed $1,239,856 as provided by § 521.421 (f) or § 521.422 (b), Transportation Code, are appropriated to the Commission for the Blind for purposes related to the Blindness Education, Screening, and Treatment Program. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

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

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

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

10. **General Revenue Dedicated Account No. 492.** Included in amounts appropriated above in the Method of Finance "Business Enterprises of Texas Account No. 492" is $2,180,000 for the biennium from revenue deposited into the account in object codes 3747, 3754, and 3802.

11. **Contingency for Disapproval of Changes to the Children's Program.** Included above in Strategy B.1.1, Vocational Rehabilitation, is $1,267,310 in General Revenue for the biennium to provide selected youth transition services previously provided in Strategy A.2.1, Habilitative Services for Children. If this program change is not approved by the Federal Rehabilitation Services Administration, the Legislative Budget Board may direct the Comptroller of Public Accounts to transfer up to $1,267,310 in General Revenue from Strategy B.1.1, Vocational Rehabilitation, to Strategy A.2.1, Habilitative Services for Children. In addition, if such a change to the Children's Program is not approved and funds are transferred from Strategy B.1.1 to Strategy A.2.1, FTEs will decrease in Strategy B.1.1, Vocational Rehabilitation by 26.5, increase in Strategy A.2.1, Habilitative Services for Children by 10.5, and decrease in Strategy C.1.1 Central Administration, by 2. The Commission for the Blind shall notify the Legislative Budget Board and the Governor as soon as the Rehabilitation Services Administration approves or disapproves the agency's request for program restructuring.

## CANCER COUNCIL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** CANCER SERVICES<br>To ensure that all Texans have prompt access to quality cancer prevention and control information and services in order to increase the number of Texans surviving or never developing cancer. | | |
| **A.1.1. Strategy:** ENHANCE CANCER SERVICES<br>Mobilize and assist public, private, and volunteer sector agencies and individuals to enhance the availability and quality of cancer prevention and control services and policies. | $ 3,105,539 | $ 3,105,539 |
| **Output (Volume):** | | |
| Number of People Directly Served by Council-funded Cancer Prevention and Control Activities | 612,400 | 646,583 |
| Number of Health Care and/or Education Professionals Who Receive Council-funded Training or Materials | 354,702 | 372,438 |
| Number of Private and Public Grants Pursued by the Cancer Council and Local Contractors in an Effort to Increase Funding | 62 | 65 |

| | | | | |
|---|---|---|---|---|
| Number of Clock Hours Donated to Local Contractors and the Council for Public Awareness, Professional Education, Early Detection Activities, and Other Activities Implementing the Texas Cancer Plan | | 259,317 | | 272,283 |
| **Efficiencies:** | | | | |
| Average Cost Per Health Care and/or Education Professional Trained | | 2.98 | | 2.98 |
| **Explanatory:** | | | | |
| Annual Age-adjusted Cancer Mortality Rate | | 193.7 | | 192.2 |
| **B. Goal:** DIRECT AND INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** DIRECT AND INDIRECT ADMINISTRATION | $ | 439,500 | $ | 439,500 |
| **Grand Total,** CANCER COUNCIL | $ | 3,545,039 | $ | 3,545,039 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 3,537,039 | $ | 3,537,039 |
| GR Dedicated - Texans Conquer Cancer License Plates Account No. 5090 | | 8,000 | | 8,000 |
| **Total, Method of Financing** | $ | 3,545,039 | $ | 3,545,039 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 8.0 | | 8.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $57,691 | | $57,691 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 319,543 | $ | 319,543 |
| Other Personnel Costs | | 7,220 | | 8,120 |
| Operating Costs | | 123,937 | | 123,037 |
| Grants | | 3,094,339 | | 3,094,339 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,545,039 | $ | 3,545,039 |

1. **Unexpended Balances.** Any unexpended balances in the appropriations for the fiscal year ending August 31, 2004, may be carried forward into fiscal year 2005 and such balances are hereby appropriated.

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above and not to exceed $3,375 per year, is limited to the following advisory committee: Texas Cancer Plan Advisory Committee. To the maximum extent possible, the Cancer Council shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

3. **Public and Private Grants.** The Cancer Council shall continue to identify any appropriate public or private grants for the purpose of receiving and administering such awards to further the goals of the Texas Cancer Plan. The Cancer Council shall report to the Legislative Budget Board and the Governor by July 1, 2004 on its findings and implementation plan to pursue appropriate grant awards as they become available.

4. **Appropriation of License Plate Revenue.** Funds appropriated above include $8,000 in 2004 and $8,000 in 2005 from revenues deposited in the General Revenue – Dedicated Account No. 5090, Texans Conquer Cancer License Plates, under Transportation Code § 502.2735. Any unexpended balances as of August 31, 2004 from the amounts appropriated may be carried forward into fiscal year 2005.

## COMMISSION FOR THE DEAF AND HARD OF HEARING

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SERVICES TO INDIVIDUALS | | |
| To promote and regulate an effective system of services to individuals who are deaf or hard of hearing. | | |
| **A.1.1. Strategy:** CONTRACT SERVICES | $ 980,072 | $ 980,072 |
| Develop and implement a statewide program to ensure continuity of services to persons who are deaf or hard of hearing. Ensure more effective coordination and cooperation among public and nonprofit organizations providing social and educational services to individuals who are deaf or hard of hearing. | | |
| **Output (Volume):** | | |
| Number of Contact Hours of Communication Access Services Provided | 13,830 | 13,830 |
| **A.1.2. Strategy:** TRAINING AND EDUCATION | $ 501,500 | $ 501,500 |
| Facilitate communication access activities through training and educational programs to enable individuals who are deaf or hard of hearing to attain equal opportunities to participate in society to their potential and reduce their isolation regardless of location, socioeconomic status, or degree of disability. | | |
| **Output (Volume):** | | |
| Number of Individuals Trained | 1,590 | 1,590 |
| **Efficiencies:** | | |
| Average Cost Per Camper | 225 | 225 |
| **A.1.3. Strategy:** TELEPHONE ASSISTANCE | $ 593,390 | $ 593,390 |
| Ensure equal access to the telephone system for persons with a disability (estimated and nontransferable). | | |
| **Output (Volume):** | | |
| Number of Equipment/service Vouchers Issued | 12,500 | 12,500 |
| **A.2.1. Strategy:** INTERPRETERS CERTIFICATION | $ 214,837 | $ 214,838 |
| Certify and regulate interpreters. | | |
| **Output (Volume):** | | |
| Number of Interpreter Certificates Issued | 1,682 | 1,715 |
| **Efficiencies:** | | |
| Average Time for Ethics Complaint Resolution (Certified Interpreter): Days | 90 | 90 |
| **Total, Goal A:** SERVICES TO INDIVIDUALS | $ 2,289,799 | $ 2,289,800 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 216,911 | $ 216,911 |
| **Grand Total,** COMMISSION FOR THE DEAF AND HARD OF HEARING | $ 2,506,710 | $ 2,506,711 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 1,051,220 | $ 1,051,221 |
| Other Funds | | |
| Appropriated Receipts | 17,100 | 17,100 |

## COMMISSION FOR THE DEAF AND HARD OF HEARING
(Continued)

| | | | | |
|---|---|---|---|---|
| Interagency Contracts | | 845,000 | | 845,000 |
| Universal Services Fund Reimbursements | | 593,390 | | 593,390 |
| Subtotal, Other Funds | $ | 1,455,490 | $ | 1,455,490 |
| **Total, Method of Financing** | $ | 2,506,710 | $ | 2,506,711 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 17,077 | $ | 16,994 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 17.0 | | 17.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 120,000 | $ | (100,000) |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 673,794 | $ | 673,794 |
| Other Personnel Costs | | 11,160 | | 11,160 |
| Operating Costs | | 110,000 | | (110,000) |
| Professional Fees and Services | | 190,000 | | 160,000 |
| Fuels and Lubricants | | 350 | | 350 |
| Consumable Supplies | | 10,030 | | 10,030 |
| Utilities | | 14,000 | | 14,000 |
| Travel | | 62,000 | | 65,000 |
| Rent - Machine and Other | | 1,250 | | 1,350 |
| Other Operating Expense | | 88,596 | | 115,497 |
| Client Services | | 1,465,530 | | 1,465,530 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,626,710 | $ | 2,406,711 |

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

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of the funds appropriated above not to exceed $12,823 per year, is limited to the following advisory committees:

   Board for Evaluation of Interpreters;
   Hard of Hearing Task Force;
   Court Interpreter Task Force;
   Hispanic Trilingual Interpreting Task Force; and
   Educational Interpreting Task Force.

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

3. **Appropriation: Unexpended Balances in Summer Camp Program.** Any unexpended and unobligated balances remaining as of August 31, 2003, in the appropriation made to the Commission for the Deaf and Hard of Hearing by Senate Bill 1, Seventy-seventh Legislature,

Regular Session, Article IX, General Provisions, Acceptance of Gifts of Money, are hereby appropriated to the Commission, for the biennium beginning September 1, 2003, for the purpose of expenses related to the Commission's Summer Camp Program (estimated to be $10,000). Unexpended and unobligated balances remaining as of August 31, 2004, in the Summer Camp program are hereby appropriated to the Commission for fiscal year 2005 for use in the Summer Camp Program (estimated to be $10,000).

4. **Specialized Telecommunication Revolving Account.** The Commission for the Deaf and Hard of Hearing is hereby appropriated $110,000 from the General Revenue Fund to maintain and operate a revolving account for the purpose of administration of the Specialized Telecommunication Program pursuant to Utilities Code § 56.151. All receipts deposited to the account as reimbursement for administrative costs are appropriated to the agency. None of the funds appropriated for the Specialized Telecommunication Program may be expended in strategies other than A.1.3, Telephone Assistance. Any balances remaining in the account at the end of the fiscal year may be appropriated for the second year of the biennium. At the end of the biennium reimbursements shall be used to repay the General Revenue Fund and close out the revolving account established for the biennium.

5. **Appropriation: Unexpended Balances in Interagency Contracts for Administrative Fees.** Unexpended and unobligated balances remaining as of August 31, 2003 in the appropriation of Interagency Contracts for Administrative Fees made to the Commission for the Deaf and Hard of Hearing by Senate Bill 1, Seventy-seventh Legislature, for the purpose of specialized projects for individuals who are hard of hearing, are hereby appropriated to the Commission, for the biennium beginning September 1, 2003, and any unexpended balances remaining as of August 31, 2004 are appropriated for the same purpose for the fiscal year beginning September 1, 2004.

6. **Unexpended Balances for the Board of Evaluation of Interpreters (BEI) Program.** Unexpended and unobligated balances in an amount not to exceed $40,000 remaining as of August 31, 2004, in certification fees for Strategy A.2.1, Interpreters Certification, made to the Texas Commission for the Deaf and Hard of Hearing, are hereby appropriated to the Commission, for fiscal year 2005 beginning September 1, 2004, for the purpose of developing evaluation materials, validating interpreter evaluation materials, and expenses related to the Commission's Certification Program.

7. **BEI Test License and Marketing.** The Commission for the Deaf and Hard of Hearing is authorized to license any tests that it develops in its Board of Evaluation of Interpreters Program and may sell these tests to other governmental agencies or interested parties. Any revenue generated from these sales is hereby appropriated to the Commission for the Deaf and Hard of Hearing (estimated to be zero).

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by TCDHH cover, at a minimum, $130,000 in general revenue in each year of the biennium to support Strategy 1.2.1, Interpreters Certification, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for the certification of interpreters are estimated to be $17,077 in fiscal year 2004 and $16,994 in fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Appropriation of License Plate Revenue.** Included in funds appropriated above in Strategy A.1.2, Training and Education, is $70,000 for the biennium in General Revenue generated from the sale of specialized Texas Commission for the Deaf and Hard of Hearing license plates. Any

additional revenues generated by the sale of specialized Texas Commission for the Deaf and Hard of Hearing license plates above $70,000 is hereby appropriated to the agency (estimated to be zero). It is the intent of the Legislature that these funds be expended for direct services programs, training, and education.

10. **Specialized Telecommunications Assistance Program (STAP).** Out of funds appropriated above in Strategy A.1.3, Telecommunications Assistance, for Section 56.151 and Section 56.153(a) of the Utilities Code establishing the Specialized Telecommunications Assistance Program (STAP), the agency shall allow two-way wireless text messaging devices to be included in the list of eligible devices that participants in STAP may choose to purchase with a STAP voucher.

## INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** CHILDREN AT RISK OF DELAY<br>The Interagency Council on Early Childhood Intervention ensures that all children in Texas below the age of three who have developmental needs or are at risk of developmental delay and their families have the resources and supports they need to reach their Individualized Family Service Plan goals. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Population Under Age Three Served | 3.43% | 3.6% |
| **A.1.1. Strategy:** ECI ELIGIBILITY AWARENESS<br>Conduct statewide activities which ensure that eligible infants, toddlers and their families are identified and families have access to information about the importance of early intervention and how to receive the resources and supports they need to reach their service plan goals. | $ 407,314 | $ 407,314 |
| **A.1.2. Strategy:** ADMINISTER SYSTEM OF SERVICES<br>Administer a statewide system of services which ensure that eligible infants, toddlers and their families have access to the resources and supports they need to reach their service plan goals. Provide eligibility determination services to all referred children to determine eligibility for comprehensive and follow along services. | $ 116,447,934 | $ 125,597,199 |
| **Output (Volume):** | | |
| Number of Children Served in Comprehensive Services | 43,304 | 46,001 |
| Number of Children Receiving Eligibility Services | 38,880 | 41,602 |
| **Efficiencies:** | | |
| Average Cost Per Child: Comprehensive Services State and Federal Funds | 2,005 | 2,015 |
| **A.1.3. Strategy:** ENSURE QUALITY SERVICES<br>Ensure the quality of early intervention services by offering training and technical assistance, establishing service and personnel standards, and evaluating consumer satisfaction and program performance. | $ 1,490,928 | $ 1,490,928 |

## INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Training and Technical Assistance Events Provided | | 180 | | 180 |
| **Total, Goal A:** CHILDREN AT RISK OF DELAY | $ | 118,346,176 | $ | 127,495,441 |
| **B. Goal:** RESPITE CARE FOR FAMILIES | | | | |
| Ensure respite care for families. | | | | |
| **B.1.1. Strategy:** RESPITE CARE | $ | 400,000 | $ | 400,000 |
| Coordinate respite care resources. | | | | |
| **Output (Volume):** | | | | |
| Number of Families Receiving Respite Services | | 678 | | 678 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 1,324,477 | $ | 1,324,477 |
| **Grand Total,** INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION | $ | 120,070,653 | $ | 129,219,918 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 18,280,616 | $ | 17,474,750 |
| GR Match for Medicaid | | 836,370 | | 905,615 |
| GR Certified as Match for Medicaid | | 13,302,707 | | 14,039,327 |
| Subtotal, General Revenue Fund | $ | 32,419,693 | $ | 32,419,692 |
| Federal Funds | | 74,641,475 | | 80,202,124 |
| Other Funds | | | | |
| Appropriated Receipts | | 100,000 | | 100,000 |
| Interagency Contracts - Transfer from Foundation School Fund No. 193 | | 12,909,485 | | 16,498,102 |
| Subtotal, Other Funds | $ | 13,009,485 | $ | 16,598,102 |
| **Total, Method of Financing** | $ | 120,070,653 | $ | 129,219,918 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 66.0 | | 66.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $68,000 | | $68,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,613,343 | $ | 2,613,343 |
| Other Personnel Costs | | 40,816 | | 40,816 |
| Operating Costs | | 736,167 | | 736,167 |
| Professional Fees and Services | | 216,511 | | 216,511 |
| Consumable Supplies | | 12,579 | | 12,579 |
| Utilities | | 43,906 | | 43,906 |
| Travel | | 88,451 | | 88,451 |
| Rent - Building | | 2,144 | | 2,144 |
| Rent - Machine and Other | | 24,655 | | 24,655 |
| Other Operating Expense | | 586,802 | | 586,802 |
| Client Services | | 2,371,755 | | 2,566,556 |
| Grants | | 113,058,281 | | 122,012,745 |
| Capital Expenditures | | 275,243 | | 275,243 |
| **Total, Object-of-Expense Informational Listing** | $ | 120,070,653 | $ | 129,219,918 |

## INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION
(Continued)

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Lease of Personal Computers | $ | 68,349 | $ | 68,349 |
| (2) ECI Statewide Centralized Data Base | | 205,072 | | 205,072 |
| Total, Capital Budget | $ | 273,421 | $ | 273,421 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 68,349 | $ | 68,349 |
| Federal Funds | | 205,072 | | 205,072 |
| Total, Method of Financing | $ | 273,421 | $ | 273,421 |

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

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

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

   The reports should include:

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

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

4. **Funding for the Interagency Council on Early Childhood Intervention (ECI).**
   a. Within the biennium, if it becomes necessary in order to qualify for federal funds, the Executive Director of the Interagency Council on Early Childhood Intervention (ECI) shall certify, by February 1 of each fiscal year of the biennium, to the Commissioner of Health

and Human Services that revenues needed to continue to serve all eligible children will exceed available revenue. The Commissioner of Health and Human Services shall evaluate the projected need and make a determination within 30 days as to whether a transfer of funds will be necessary. ECI shall supply the following information to the Legislative Budget Board, the Governor, and the Commissioner of Health and Human Services at the time of any authorization of additional need:

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

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

b. Prior to expenditure in fiscal year 2004 of $12,909,485 and fiscal year 2005 of $16,498,102 in Other Funds received through interagency contract with the Texas Education Agency, the agency shall notify the Governor and the Legislative Budget Board that the agency intends to use the funds for eligibility determination services, comprehensive services, and transition services and report the amount of funds that will be allocated to each local provider and the number of children that each local provider is expected to serve.

c. It is the intent of the Legislature that the Interagency Council on Early Childhood Intervention maintains procedures for the selection of providers and renewal of provider contracts based on "best value" practices that maximize the use of federal, private, and local funding.

5. **Respite Care for Families.** It is the intent of the Legislature that any General Revenue Funds appropriated for the biennium for the purpose of providing respite care for families shall not be included in the State's maintenance of effort (MOE) for the federal Individuals with Disabilities Education Act (IDEA), Part C grant.

6. **Education Funding.** Included in the Method of Financing in Other Funds above is $12,909,485 in fiscal year 2004 and $16,498,102 in fiscal year 2005 set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination, including the initial determination of eligibility and subsequent eligibility assessments occurring after the initial individualized family service plan, comprehensive services, and transitions services.

   The Interagency Council on Early Childhood Intervention is hereby required to enter into a Memorandum of Understanding with the Texas Education Agency for the purpose of providing funds to ECI contractors for eligibility determinations services, including the initial determination of eligibility and subsequent eligibility assessments occurring after the initial individualized family service plan, comprehensive services, and transitions services, as specified. The Memorandum of Understanding may include other provisions the agencies deem

necessary. The Interagency Council shall provide a signed copy of the Memorandum of Understanding to the Legislative Budget Board and the Governor, no later than October 1, 2003.

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

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

## DEPARTMENT OF HEALTH

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PUBLIC HEALTH PROMOTION<br>Ensure that prevention, promotion and education are integral parts of all public health services. Reduce health hazards, support resistance to health threats and promote disease control. Promote individual and community involvement in improving personal and environmental health. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Inspected Entities in Compliance with Statutes and/or Rules | 78.06% | 78.1% |
| Percentage of Eligible WIC Population Served | 76% | 77% |
| Percent of AIDS Cases Diagnosed Two Years Ago and Living 24 Months or More | 88.6% | 89.1% |
| Vaccination Coverage Levels among Children Aged 19 to 35 Months | 79% | 82% |
| **A.1.1. Strategy:** BORDER HEALTH & COLONIAS<br>Develop and implement programs designed to assist in the reduction of consumer, environmental, occupational and community health hazards along the Texas/Mexico border and in the "colonias" in a binational effort that coordinates with local providers and community leaders. | $ 1,276,346 | $ 1,276,346 |

| | | | | |
|---|---|---|---|---|
| **A.1.2. Strategy:** FOOD (MEAT) & DRUG SAFETY | $ | 18,237,664 | $ | 18,237,664 |
| Design and implement uniform and effective programs to ensure the safety of food, drugs, and medical devices. | | | | |
| **Efficiencies:** | | | | |
| Average Cost Per Surveillance Activity | | 189.27 | | 189.27 |
| **A.1.3. Strategy:** ENVIRONMENTAL HEALTH | $ | 6,800,569 | $ | 6,800,569 |
| Develop and implement comprehensive, uniform and effective risk assessment and risk management programs in the areas of consumer products, occupational and environmental health, and community sanitation. | | | | |
| **Output (Volume):** | | | | |
| Number of Enforcement Actions Initiated | | 5,753 | | 5,753 |
| **Efficiencies:** | | | | |
| Average Cost Per Surveillance Activity | | 156 | | 156 |
| **A.1.4. Strategy:** RADIATION CONTROL | $ | 7,833,886 | $ | 7,833,886 |
| Develop and implement a comprehensive regulatory program for all sources of radiation using risk assessment and risk management techniques. | | | | |
| **Efficiencies:** | | | | |
| Average Cost Per Surveillance Activity | | 251.69 | | 251.69 |
| **A.2.1. Strategy:** WIC FOOD & NUTRITION SERVICES | $ | 588,222,037 | $ | 587,473,286 |
| To provide nutrition services, including benefits, to eligible low income women, infants and children (WIC) clients, nutrition education and counseling. | | | | |
| **Output (Volume):** | | | | |
| Number of WIC Participants Provided Nutritious Food Supplements Per Month | | 837,828 | | 858,774 |
| **Efficiencies:** | | | | |
| Average Food Costs Per Person Receiving Services | | 29.93 | | 30.93 |
| **Explanatory:** | | | | |
| Incidence (Percent) of Low Birth Weight Babies Born to Women, Infants and Children (WIC) Nutrition Program Mothers | | 5.9% | | 5.9% |
| **A.3.1. Strategy:** HIV & STD EDUCATION & SERVICES | $ | 133,276,285 | $ | 133,276,285 |
| Provide HIV and STD education to prevent the spread of infection, identify individuals infected with or exposed to HIV/STD, provide HIV/STD medications, and link infected and exposed individuals to health and social service providers for intervention. | | | | |
| **Output (Volume):** | | | | |
| Number of Persons Served by the HIV Medication Program | | 13,572 | | 13,572 |
| **A.3.2. Strategy:** IMMUNIZATIONS | $ | 41,761,836 | $ | 41,761,836 |
| Implement programs to immunize Texas residents. | | | | |
| **Output (Volume):** | | | | |
| Number of Doses Administered | | 7,285,520 | | 7,285,520 |
| **Explanatory:** | | | | |
| Dollar Value (in Millions) of Vaccine Provided by the Federal Government | | 90 | | 90 |
| **A.3.3. Strategy:** PREVENTABLE DISEASES | $ | 50,908,931 | $ | 50,408,931 |
| Implement programs to reduce the incidence of preventable health conditions such as zoonotic diseases (including tuberculosis) and dental disease, and to improve epidemiological activities to track reductions. | | | | |
| **Output (Volume):** | | | | |
| Number of Diabetes-related Prevention Activities | | 200,000 | | 200,000 |

| | | | | |
|---|---|---|---|---|
| **A.3.4. Strategy:** CHRONIC DISEASE SERVICES<br>Provide prompt service and/or referral of all eligible applicants for chronic disease services. | $ | 27,563,062 | $ | 27,563,062 |
| **Output (Volume):**<br>Number of Kidney Health Clients Provided Services | | 25,666 | | 28,232 |
| **A.3.5. Strategy:** TOBACCO EDUCATION AND PREVENTION<br>Develop and implement a statewide program to provide education, prevention and cessation in the use of cigarettes and tobacco products. | $ | 1,386,980 | $ | 1,386,980 |
| **A.3.6. Strategy:** PUBLIC HEALTH PREPAREDNESS<br>Plan and implement programs to ensure public health preparedness for bioterrorism, natural epidemics, and other public health threats and emergencies. | $ | 42,240,250 | $ | 42,240,250 |
| **Total, Goal A:** PUBLIC HEALTH PROMOTION | $ | 919,507,846 | $ | 918,259,095 |
| **B. Goal:** MEDICAID SERVICES<br>Develop a comprehensive approach to integrate certain Medicaid services with other service delivery programs. | | | | |
| **B.1.1. Strategy:** MEDICAL TRANSPORTATION<br>Provide non-ambulance transportation for eligible Medicaid recipients to and from providers of Medicaid services. | $ | 72,524,096 | $ | 82,794,890 |
| **Output (Volume):**<br>Recipient One-way Trips | | 3,647,492 | | 3,895,981 |
| **B.1.2. Strategy:** TEXAS HEALTH STEPS (EPSDT) MEDICAL<br>Provide access to comprehensive diagnostic/treatment services for eligible clients by maximizing the use of primary prevention, early detection and management of health care in accordance with all federal mandates. | $ | 118,632,458 | $ | 124,296,852 |
| **B.1.3. Strategy:** TEXAS HEALTH STEPS (EPSDT) DENTAL<br>Provide dental care in accordance with all federal mandates. | $ | 266,521,761 | $ | 283,026,637 |
| **Efficiencies:**<br>Average Cost Per THSteps (EPSDT) Dental Client | | 258.71 | | 258.08 |
| **Total, Goal B:** MEDICAID SERVICES | $ | 457,678,315 | $ | 490,118,379 |
| **C. Goal:** HEALTH CARE STANDARDS<br>Assure the highest quality services to all Texans across the care continuum. Respond promptly to the public's needs and concerns about health professionals and health facilities. | | | | |
| **Outcome (Results/Impact):**<br>Percent of Licensed, Certified, Registered, Permitted, or Documented Professionals with No Recent Violations | | 99.7% | | 99.7% |
| **C.1.1. Strategy:** HEALTH CARE STANDARDS<br>Implement programs to ensure timely, accurate issuance of licenses, certifications, permits, documentations and placing on a registry for health care professionals and implement cost-effective, efficient, consistent plan to license/certify and provide technical assistance to health care facilities. | $ | 11,109,283 | $ | 11,109,283 |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Health Care Professionals Licensed, Permitted, Certified, Registered, or Documented | | 110,667 | | 111,608 |
| Number of Complaint Investigations Conducted | | 2,032 | | 2,145 |
| **C.2.1. Strategy:** LABORATORY | $ | 20,840,258 | $ | 20,840,258 |
| Operate a state-of-the-art reference laboratory to provide essential support to disease prevention and other TDH associateship programs in the isolation, identification, detection and verification of living/nonliving agents which cause disease and disabilities. | | | | |
| **Output (Volume):** | | | | |
| Work Time Units Produced | | 17,400,000 | | 18,100,000 |
| **C.2.2. Strategy:** LABORATORY-BOND DEBT SERVICE | $ | 3,140,680 | $ | 3,140,680 |
| Reference laboratory - bond debt service. | | | | |
| **Total, Goal C:** HEALTH CARE STANDARDS | $ | 35,090,221 | $ | 35,090,221 |
| **D. Goal:** EQUITABLE ACCESS | | | | |
| Work to eliminate disparities in health status among all population groups. Reduce rates of diseases and conditions which disproportionately affect minority populations. Allocate public health resources in a rational and equitable manner. Promote equitable access to quality health care and public health education for all populations through private providers, public clinics, and/or private-public cooperative ventures. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Number of Infant Deaths Per Thousand Live Births (Infant Mortality Rate) | | 5.5 | | 5.5 |
| Percentage of Low Birth Weight Births | | 7.2% | | 7.1% |
| Number of Pregnant Females Age 13-19 Per Thousand (Adolescent Pregnancy Rate) | | 63.5 | | 63.5 |
| **D.1.1. Strategy:** WOMEN AND CHILDREN'S HEALTH SRVS | $ | 47,850,491 | $ | 47,850,493 |
| Provide easily accessible, quality and community-based maternal and child health services to low-income women, infants, children and adolescents. | | | | |
| **Output (Volume):** | | | | |
| Number of Infants <1 and Children Age 1-20 Years Provided Services by the Maternal and Child Health Program | | 45,366 | | 45,366 |
| Number of Women Provided Services by the Maternal and Child Health Program | | 69,538 | | 69,538 |
| **D.1.2. Strategy:** FAMILY PLANNING | $ | 78,565,466 | $ | 80,980,454 |
| Increase family planning services throughout Texas for adolescents and women. | | | | |
| **Output (Volume):** | | | | |
| Number of Adults and Adolescents Receiving Family Planning Services | | 431,539 | | 417,789 |
| **Efficiencies:** | | | | |
| Average Annual Cost Per Family Planning Client | | 180.09 | | 192.72 |
| **D.1.3. Strategy:** SPECIAL NEEDS CHILDREN | $ | 39,422,763 | $ | 39,422,764 |
| Administer the Children with Special Health Care Needs (CSHCN) Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Children with Special Health Care Needs - CSHCN - Receiving Case Management Services | | 31,372 | | 31,372 |
| **D.1.4. Strategy:** ABSTINENCE EDUCATION | $ | 6,359,110 | $ | 6,359,110 |
| Increase abstinence education programs in Texas. | | | | |
| **Output (Volume):** | | | | |
| Number of Persons Served in Abstinence Education Programs | | 288,520 | | 288,520 |

| | | | | |
|---|---|---|---|---|
| **D.2.1. Strategy:** COMMUNITY HEALTH SERVICES<br>Develop systems of primary and preventive health care delivery to alleviate the lack of health care in underserved areas of Texas; and develop and implement program policies that are sensitive and responsive to minority populations. | $ | 15,133,168 | $ | 15,133,168 |
| **Total, Goal D:** EQUITABLE ACCESS | $ | 187,330,998 | $ | 189,745,989 |
| **E. Goal:** COORDINATED HEALTH SYSTEM<br>Establish a coordinated and unified statewide system of public health. Promote the development of competent and effective health leadership throughout the state, focusing on local level development. Coordinate public health policy and service delivery with state agencies, local government, public and private sectors, and the public. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Reported Cases of Tuberculosis that Are Treated Appropriately | | 100% | | 100% |
| **E.1.1. Strategy:** VITAL STATISTICS SYSTEM<br>Provide a cost-effective, timely and secure system for recording, certifying, and disseminating information relating to births, deaths, fetal deaths, marriages, and divorces occurring in this state. | $ | 4,955,277 | $ | 4,955,277 |
| **Efficiencies:** | | | | |
| Average Number of Days to Certify or Verify Records | | 15 | | 15 |
| **E.1.2. Strategy:** HEALTH DATA & POLICY<br>Collect, analyze and distribute data concerning health trends, status, and systems as tools for decision-making policy. | $ | 2,028,219 | $ | 2,028,219 |
| **Output (Volume):** | | | | |
| Number of Requests for Data and Information Completed | | 2,800 | | 2,750 |
| **E.1.3. Strategy:** HEALTH CARE & OUTCOMES<br>Collect, analyze and distribute health care data concerning charges, utilization, provider quality, and outcomes. | $ | 1,345,803 | $ | 1,345,803 |
| **Output (Volume):** | | | | |
| Number of Requests for Data on Hospitals, Hospital Discharges, Health Maintenance Organizations, or HEDIS Reports Filled | | 2,300 | | 2,300 |
| **E.2.1. Strategy:** SUPPORT OF INDIGENT HEALTH SERVICES<br>Provide support to local governments and tertiary care facilities that provide indigent health care services. | $ | 5,600,000 | $ | 5,600,000 |
| **E.2.2. Strategy:** EMERGENCY HEALTH CARE SYSTEM<br>Develop and enhance regionalized emergency health care systems. | $ | 2,112,741 | $ | 2,112,741 |
| **Output (Volume):** | | | | |
| Number of Emergency Health Care Providers (EMS Firms, Hospitals, RACS) Assisted through EMS/Trauma System Funding Programs | | 725 | | 725 |
| **E.2.3. Strategy:** HEALTH CARE FACILITIES<br>Provide for more than one level of care for tuberculosis, infectious diseases and chronic respiratory disease patients, provided in systematic coordination among the two facilities and other health care providers. | $ | 44,944,870 | $ | 17,070,161 |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Inpatient Days, Texas Center for Infectious Disease | | 26,000 | | 26,000 |
| Number of Outpatient Visits, South Texas Health Care System | | 50,000 | | 55,000 |
| **E.2.4. Strategy:** PUBLIC HEALTH SERVICES<br>Coordinate essential public health services at the local level through public health regions and affiliated local health departments, emphasizing community involvement. | $ | 6,266,308 | $ | 6,266,308 |
| **E.2.5. Strategy:** INDIGENT HEALTH REIMBURSEMENT<br>Reimburse the provision of indigent health services through the deposit of funds in the State-owned Multicategorical Teaching Hospital Account. | $ | 10,000,000 | $ | 10,000,000 |
| **Total, Goal E:** COORDINATED HEALTH SYSTEM | $ | 77,253,218 | $ | 49,378,509 |
| **F. Goal:** INDIRECT ADMINISTRATION | | | | |
| **F.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 15,021,265 | $ | 15,021,265 |
| **F.1.2. Strategy:** INFORMATION RESOURCES | $ | 4,710,423 | $ | 4,710,423 |
| **F.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 12,464,248 | $ | 12,464,248 |
| **F.1.4. Strategy:** REGIONAL ADMINISTRATION | $ | 8,659,539 | $ | 8,659,538 |
| **Total, Goal F:** INDIRECT ADMINISTRATION | $ | 40,855,475 | $ | 40,855,474 |
| **Grand Total,** DEPARTMENT OF HEALTH | $ | 1,717,716,073 | $ | 1,723,447,667 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 193,482,244 | $ | 193,482,242 |
| Earned Federal Funds | | 4,868,555 | | 4,868,553 |
| GR for Maternal and Child Health Block Grant | | 40,208,727 | | 40,208,729 |
| GR for HIV Services | | 28,888,532 | | 28,888,532 |
| GR Match for Medicaid | | 168,668,807 | | 180,055,484 |
| Vendor Drug Rebates–Public Health | | 3,610,000 | | 3,610,000 |
| Subtotal, General Revenue Fund | $ | 439,726,865 | $ | 451,113,540 |
| General Revenue Fund - Dedicated | | | | |
| Health Department Laboratory Financing Fees (formerly 3595) | | 3,140,680 | | 3,140,680 |
| WIC Rebates (formerly 3597) | | 184,350,000 | | 184,350,000 |
| State Owned Multicategorical Teaching Hospital Account No. 5049 | | 20,000,000 | | 20,000,000 |
| Animal Friendly Account No. 5032 | | 500,000 | | 0 |
| Advisory Commission on Emergency Communications Account No. 5007 | | 2,001,200 | | 2,001,200 |
| Crippled Children Account No. 5009 | | 130,176 | | 130,176 |
| Asbestos Removal Licensure Account No. 5017 | | 2,142,346 | | 2,142,346 |
| Workplace Chemicals List Account No. 5020 | | 659,463 | | 659,463 |
| Certificate of Mammography Systems Account No. 5021 | | 453,287 | | 453,287 |
| Oyster Sales Account No. 5022 | | 275,000 | | 275,000 |
| Food and Drug Registration Account No. 5024 | | 3,787,700 | | 3,787,700 |
| Vital Statistics Account No. 019 | | 2,760,905 | | 2,760,905 |
| Hospital Licensing Account No. 129 | | 1,042,777 | | 1,042,777 |

| | | |
|---|---|---|
| Food and Drug Fee Account No. 341 | 1,571,366 | 1,571,366 |
| Bureau of Emergency Management Account No. 512 | 999,176 | 999,176 |
| Department of Health Public Health Services Fee Account No. 524 | 9,078,447 | 9,078,447 |
| Subtotal, General Revenue Fund - Dedicated | $ 232,892,523 | $ 232,392,523 |
| Federal Funds | 992,425,041 | 1,015,144,667 |
| Other Funds | | |
| Interagency Contracts | 10,485,610 | 10,485,610 |
| Bond Proceeds - General Obligation Bonds | 27,874,707 | 0 |
| Appropriated Receipts | 4,980,842 | 4,980,842 |
| State Chest Hospital Fees and Receipts | 1,704,061 | 1,704,061 |
| TDH Public Health Medicaid Reimbursements | 7,626,424 | 7,626,424 |
| Subtotal, Other Funds | $ 52,671,644 | $ 24,796,937 |
| **Total, Method of Financing** | $ 1,717,716,073 | $ 1,723,447,667 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 4,858.1 | 4,858.1 |
| **Schedule of Exempt Positions:** | | |
| Commissioner of Health, Group 6 | $155,000 | $155,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 177,755,200 | $ 177,917,992 |
| Other Personnel Costs | 3,997,814 | 3,997,815 |
| Operating Costs | 77,064 | 77,064 |
| Professional Fees and Services | 38,402,661 | 38,349,472 |
| Fuels and Lubricants | 205,100 | 205,100 |
| Consumable Supplies | 6,035,231 | 6,035,231 |
| Utilities | 6,348,537 | 6,348,537 |
| Travel | 6,360,044 | 6,360,044 |
| Rent - Building | 6,516,019 | 6,516,019 |
| Rent - Machine and Other | 1,229,859 | 1,229,859 |
| Other Operating Expense | 131,685,966 | 136,060,289 |
| Client Services | 15,600,000 | 15,600,000 |
| Client Services | 1,012,137,502 | 1,046,756,659 |
| Food for Persons - Wards of State | 107,543 | 107,543 |
| Grants | 266,816,089 | 267,134,413 |
| Capital Expenditures | 44,441,444 | 10,751,630 |
| **Total, Object-of-Expense Informational Listing** | $ 1,717,716,073 | $ 1,723,447,667 |

## LIMITATIONS ON EXPENDITURES

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Construction of Buildings and Facilities | | | | |
| (1) Laboratory - Bond Debt Service | $ | 3,140,680 | $ | 3,140,680 |
| (2) Construction of Healthcare Facilities | | 27,874,507 | | 0 |
| Total, Construction of Buidings and Facilities | $ | 31,015,187 | $ | 3,140,680 |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Client Access Systems | | 5,618,650 | | 60,500 |
| (2) Information Systems Improvement | | 183,000 | | 0 |
| (3) Surveillance Systems | | 1,326,300 | | 843,600 |
| (4) Lab Information Systems | | 430,000 | | 0 |
| Total, Acquisition of Information Resource Technologies | $ | 7,557,950 | $ | 904,100 |
| c. Acquisition of Capital Equipment and Items | | | | |
| (1) Safety and/or Accessibility Equipment | | 50,000 | | 0 |
| Total, Capital Budget | $ | 38,623,137 | $ | 4,044,780 |
| Method of Financing (Capital Budget): | | | | |
| Federal Funds | $ | 7,086,450 | $ | 904,100 |
| Appropriated Receipts | | 430,000 | | 0 |
| GR Match for Medicaid | | 91,500 | | 0 |
| Bond Proceeds - General Obligation Bonds | | 27,874,507 | | 0 |
| GR Dedicated - Health Department Laboratory Financing Fees (formerly 3595) | | 3,140,680 | | 3,140,680 |
| Total, Method of Financing | $ | 38,623,137 | $ | 4,044,780 |

2. **Business Improvement Plan.** It is the intent of the Legislature that the Board of Health and the Department of Health implement, with the assistance of the Health and Human Services Commission, a comprehensive business improvement plan for the Texas Department of Health. The plan shall include timelines, benchmarks and projected outcomes for improvement of the department's systems and controls. The plan shall be prepared in a format specified by the Health and Human Services Commission and the State Auditor and shall address elements including:

   a. finance and accounting;
   b. budgeting;
   c. contract and grant management;
   d. administrative information systems; and
   e. other elements determined appropriate by the State Auditor.

   The department shall provide a status report at the end of each state fiscal quarter on the implementation of the business improvement plan to the Governor, Legislative Budget Board, Legislative Audit Committee, the Health and Human Services Commission, and the State Auditor. The reports shall be prepared in a format specified by the Health and Human Services Commission and the State Auditor and shall include specific information demonstrating the progress made by the department in achieving the goals and objectives of the plan and provide details as to the budgeting impact of implementing each element of the plan.

   The Health and Human Services Commission and the State Auditor shall monitor the implementation of the plan.

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

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

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

4. **Transfer Authority.** Subject to the limitations contained in provisions No. 3, Limitation: Medicaid Transfer Authority and No. 5, Management of Funds in the Children with Special Health Care Needs (CSHCN) Program and notwithstanding any other provision, appropriations contained in this Act to the Department of Health may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, at the discretion of the Commissioner of Health. Transfers from one appropriation item to another item that exceed the lesser of $250,000 or 10 percent in All Funds of the appropriation item from which the transfer is made are subject to the approval of the Board of Health, and are subject to the following reporting requirements:

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

   b. At least 14 days prior to a meeting of the Board of Health to consider any program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in an increase in services delivered or clients served, including any increase in funds budgeted in the program.

   c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

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

5. **Management of Funds in the Children with Special Health Care Needs (CSHCN) Program.** Amounts appropriated above to the Department of Health in Strategy D.1.3, Special Needs Children may only be transferred to Strategy D.2.1, Community Primary Care, and to the Health and Human Services Commission Strategy B.2.4, Premium: Children/Medically Needy. Transfers to the Health and Human Services Commission from Department of Health Strategy D.1.3, Special Needs Children, may only be made if General Revenue is made available by CSHCN-eligible children becoming eligible for Medicaid. Any transfers pursuant to this provision are subject to prior notification to the Legislative Budget Board and the Governor that such a transfer is to take place. Funds may not be transferred from Strategy D.1.3, Special Needs Children, if such a transfer would result in a loss of, or reduction in, services or a loss of, or reduction in, persons otherwise eligible for CSHCN services. Further, the department shall make expenditures from Strategy D.1.3, Special Needs Children, from state funds in proportion

to the source of funds budgeted for the strategy. The department shall report quarterly on compliance with this provision to the Legislative Budget Board and the Governor. The Comptroller of Public Accounts shall monitor compliance with these provisions and establish additional procedures, if necessary.

6. **Laboratory Funding.**

   a. All receipts generated by the Texas Department of Health from laboratory fees during the 2004–05 biennium are hereby appropriated to the Texas Department of Health for transfer to the Texas Public Finance Authority for the payment of debt services on the project revenue bonds.

   b. Appropriations made out of the General Revenue Fund to the Texas Department of Health in Goal F, Indirect Administration, may be transferred for bond debt service payments only if laboratory fees generated by the laboratory during the biennium are insufficient to support the bond debt service, subject to prior approval of the Governor and the Legislative Budget Board and if no funds appropriated to the Department of Health by this Act have been transferred into Goal F, Indirect Administration.

7. **Appropriations Limited to Revenue Collections.** The Board of Health shall review all of the fee schedules within its authority on an annual basis. The Department of Health shall provide a copy of the report summarizing this review to the Legislative Budget Board and the Governor no later than September 1 of each year in the biennium, with a copy of the final report to be submitted no later than January 1 of each year of the biennium. It is the intent of the Legislature that, to the extent feasible, fees, fines and other miscellaneous revenues as authorized and generated by the department cover, at a minimum, the cost of the appropriations made for the programs listed in the table below, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $8,476,195 for fiscal year 2004 and $8,643,197 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. This rider shall apply to revenues generated in the following strategies and deposited under the following revenue codes or account numbers:

| **Strategy** | **Revenue Code or Account** |
|---|---|
| A.1.2. Food (Meat) & Drug Safety | • 341 Food & Drug Retail Fee<br>• 5022 Oyster Sales<br>• 5024 Food & Drug Registration<br>• Fees deposited into 001 to support Food (Meat) and Drug Safety, including fees deposited under the following revenue codes: 3142 (Food Service Worker Training); 3180 (Health Regulation Fees for Body Piercing and Tattoo Studios, Tanning Facility Fees, and Narcotic Treatment Fees); 3400 (Business Fees-Agriculture, for Renderers Licenses and Milk Industry Products); 3414 (Agriculture Inspection Fees, for Meat Inspection); 3554 (Food and Drug Fees, for Medical Device Wholesalers, Food Drug and Cosmetic Sales, and Frozen Desserts). |

| | |
|---|---|
| A.1.3. Environmental Health | • 5017 Asbestos Removal Licensure<br>• 5020 Workplace Chemical List<br>• Fees deposited into 001 to support A.1.3, Environmental Health, including fees deposited under the following revenue codes: 3123 (Glue and Paint Sales Permit); 3141 (Bedding Permit Fees); 3175 (Professional Fees, for Code Enforcement Officers); 3180 (Lead-Based Paint Certification Program); 3555 (Hazardous Substance Manufacture); 3562 (Health Related Professions Fees, for Sanitarian Registration and Pesticide Use and Application Program); and 3573 (Health Licenses for Camps, for Migrant Camps and Youth Camps). |
| A.1.4. Radiation Control | • 5021 Certificate of Mammography Systems<br>• Fees deposited into 001 to support A.1.4, Radiation Control, including fees deposited under the following revenue codes: 3589 (Radiation Control). |
| C.1.1. Health Care Standards | • 129 Hospital Licensing<br>• 512 Emergency Management<br>• Fees deposited into 001, Revenue Codes: 3175 (Professional Fees, for Health Services Providers, Athletic Trainers); 3180 (Health Regulation Fees, for Special Care Facilities); 3557 (Health Care Facilities Fees, for Abortion Clinics, Ambulatory Surgical Centers, Birthing Centers and End Stage Renal Disease Facilities); 3560 (Medical Examination and Registration, for Perfusionists, Medical Radiologic Technicians, and Respiratory Therapists); 3562 (Health Related Profession Fees, for Medical Physicists, Hearing Aid Dispensers, Marriage and Family Therapists, Massage Therapists, Respiratory Care Practitioners, Professional Counselors, Dispensing Opticians, Speech Pathologists, Dieticians); 3616 (Social Worker Regulation); and 3727 (Council on Sex Offender Treatment Providers). |
| E.1.1. Vital Statistics System | • 019 Vital Statistics |

8. **Medicaid and Other Reporting Requirements.**
   a. None of the funds appropriated by this Act to the Texas Department of Health may be expended or distributed by the department unless:

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

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

(2) the department submits to the Legislative Budget Board and the Governor at the end of each month: (i) a report detailing the Medicaid caseload figures and related expenditure amounts for the preceding month; (ii) a report projecting the anticipated Medicaid caseloads for the 36 months period beginning with first month after the report is due; and (iii) a report detailing the CSHCN caseload figures and related expenditure amounts for the preceding month.

b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.

c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Health if the Legislative Budget Board and the Governor certifies to the Comptroller of Public Accounts that the Department of Health is not in compliance with this provision.

9. **Earned Federal Funds.** None of the Earned Federal Funds appropriated by this Act to the Department of Health may be expended unless the department reports quarterly to the Comptroller, Legislative Budget Board, and the Governor regarding funds generated which constitute Earned Federal Funds as defined elsewhere in this Act and/or required by the Comptroller to be deposited into Appropriation No. 70000.

10. **Funding for Abstinence Sexual Education.** It is the intent of the Legislature that funds appropriated in Strategy D.1.4, Abstinence Education, be utilized for the purpose of implementing abstinence sexual education programs to reduce the need for future family planning services for unwed minors. Abstinence education means materials and instruction which:

a. present abstinence from sexual activity as the preferred choice of behavior for unmarried persons; and

b. emphasize that abstinence from sexual activity, used consistently and correctly, is the only method that is 100 percent effective in preventing pregnancy, sexually transmitted disease, and infection with human immunodeficiency virus or acquired immune deficiency syndrome.

11. **Prohibition on Abortions.** It is the intent of the Legislature that no appropriated funds shall be used to pay the direct or indirect costs (including overhead, rent, phones and utilities) of abortion procedures provided by contractors of the department. It is also the intent of the Legislature that no funds appropriated under Strategy D.1.2, Family Planning, shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures. The department shall include in its financial audit a review of the use of state funds to ensure compliance with this section.

12. **Family Planning.** Of funds appropriated under Strategy D.1.2, Family Planning, no state funds may be used to dispense prescription drugs to minors without parental consent.

13. **Medical Treatment.** The Texas Department of Health may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that prior approval is obtained from the Governor and the Legislative Budget Board.

14. **Reporting of Child Abuse.** The Texas Department of Health may distribute or provide appropriated funds only to recipients which show good faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.

15. **Management of Federal Block Grant Funds and Laboratory Funds.** No later than September 1 of each year of the biennium, the Department of Health shall submit a plan for the use of any federal block grant funds appropriated above to the Legislative Budget Board and the Governor. In addition, the department shall submit a plan for the use of funds appropriated in Strategy C.2.1, Laboratory. These plans should be submitted to the Legislative Budget Board and the Governor no later than 30 days prior to the expenditure of federal block grants funds appropriated above. Federal funds shall not be expended if either the Legislative Budget Board or the Governor issues a written disapproval within 30 days of submission of the plan. Furthermore, the agency shall inform the Legislative Budget Board and the Governor of any reallocation of federal block grant funds included in the plan.

16. **Educational Leave, Tuition Reimbursement, and Educational Stipend Programs.** None of the funds appropriated above in Goals A through E may be spent for educational programs which provide tuition reimbursement, stipends, or educational leave for department employees, unless the education is directly associated with program activities conducted pursuant to state and federal statutes and is necessary to ensure public health and safety. The Commissioner of Health must provide prior written approval of the educational leave time, the amount of the stipend or tuition reimbursement, and any other educational program benefit provided to a department employee. The amount of tuition or fees paid by the department to an institution of higher education for semester hour credit for a department employee may not exceed the per semester credit hour charged by that institution for in-state tuition. The Department of Health shall annually notify the Comptroller, the Legislative Budget Board, and the Governor of any educational expenditures exempted under this section.

17. **Immunization Reporting.** The Department of Health may distribute or provide appropriated funds only to providers and payers that show good faith efforts to comply with all immunization reporting guidelines and requirements set forth in Chapter 161, Health and Safety Code.

18. **Trauma Formula Distribution.** It is the intent of the Legislature that the Department of Health allocate monies from the emergency medical services and trauma care system fund in accordance with Health and Safety Code § 773.122(c). It is further the intent of the Legislature that the Department of Health weight the statutory criteria in such fashion that, in so far as possible, 40 percent of the funds are allocated to urban counties and 60 percent of the funds are allocated rural and frontier counties.

19. **Health Care Facilities.** Funds appropriated above and noted in the Capital Budget rider as Hospital Construction for the purpose of healthcare facilities capital budget items may only be expended for capital budget items in the manner provided for by House Bills 1748 and 3504, Seventy-sixth Legislature. Funds appropriated for these projects may only be expended for each phase of the projects after the Department of Health provides a detailed description of the

project phase and cost to the Legislative Budget Board and the Governor prior to implementation of the project phase, and the Legislative Budget Board and the Governor approve the plan.

## BUDGET POLICY AND APPROPRIATION MANAGEMENT

20. **Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Texas Board of Health is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Department of Health and the responsible federal agency, and such other activities as come under the authority of the Texas Board of Health, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.

21. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B and D.1.2, Family Planning out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004–05 biennium.

22. **Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Department of Health is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

23. **WIC (Special Supplemental Program for Women, Infants, and Children) Rebates.** The Department of Health is authorized to receive and expend WIC rebates and interest earnings associated with WIC rebates and such funds are appropriated to the Department of Health. The department shall only expend WIC rebates and interest earnings for the purposes of the WIC program.

## BUDGET POLICY AND APPROPRIATION MANAGEMENT, HOSPITAL RELATED

24. **Transfers of Appropriations–State-owned Hospital.** The State Texas Center for Infectious Disease shall transfer from non-Medicaid state appropriated funds $9,859,198 in fiscal year 2004 and $9,859,198 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Governor and the Legislative Budget Board are authorized to adjust the amounts of such transfers as necessary to match available Federal Funds.

25. **State Health Care Facility Provisions.** The State Health Care Facilities (formerly known as State Chest Hospitals) operated by the Department of Health are the South Texas Health Care Center System(formerly known as the South Texas Hospital) and the Texas Center for Infectious Disease. The provisions applying to the State Health Care Facilities are as follows:

    a. Out of the funds appropriated above, the Directors of the State Health Care Facilities are authorized a house and utilities in addition to salary.

    b. The professional liability insurance premiums may be paid for physicians employed by the State Health Care Facilities out of the appropriations from the fees for physician services.

    c. It is the intent of the Legislature that the Department of Health develop interagency agreements with the Texas Department of Mental Health and Mental Retardation (TDMHMR) so that medical and surgical services, auxiliary services, pharmacy and laboratory services and other support services of TDMHMR facilities are provided to the extent possible by the two State Health Care Facilities. The Texas Center for Infectious Disease shall provide utilities and inpatient treatment and care services to the San Antonio State Hospital and the San Antonio State School without reimbursement.

    d. Out of the funds appropriated above the South Texas Health Care System shall support medical education through the South Texas Family Practice Residency Program–McAllen with the cooperation of the University of Texas Health Science Center at San Antonio.

    e. Third party collections (appropriated receipts) collected by the Department of Health State Health Care Facilities are hereby appropriated to Strategy E.2.3, Health Care Facilities, for the provision of services.

## EXPENDITURES SPECIFICALLY AUTHORIZED

26. **Immunization of Employees.** Moneys appropriated above may be expended for any immunization which is required of employees at risk in the performance of their duties.

27. **Professional Liability Insurance Premiums.** From the appropriations made above, the department may also pay the professional liability premiums for those physicians, dentists, hygienists, nurses, and other medical personnel involved in providing medical and dental care in the department's clinical operations.

28. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $200,000 per fiscal year, is limited to the following advisory committees: Family Planning Advisory Council, State Preventive Health Advisory Committee, Oral Health Advisory Committee, Texas Radiation Advisory Board, Texas Traumatic Brain Injury Advisory Council, Hospital Preparedness Planning Committee, and Bioterrorism Preparedness and Response Committee.

    Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Prostate Cancer Advisory Committee, Texas HIV Medication Program Advisory Committee, Scientific Advisory Committee on Birth Defects in Texas, Animal Friendly Advisory Committee, Children with Special Health Care Needs Advisory Committee, Device Distributors and Manufacture's Advisory Committee, Sanitarian/Code Enforcement Officer's Advisory Committee, Registered Sanitarian Advisory Committee, Code Enforcement Officer's Advisory Committee, Promotora Advisory Committee, Asbestos Advisory Committee, Wholesale Drug

Distributors Advisory Committee, Opticians' Registry Advisory Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioners Advisory Committee, Governor's Emergency Medical Services and Trauma Advisory Council, Hospital Data Advisory Committee, Indigent Health Care Advisory Committee, Kidney Health Care Advisory Committee, and School Health Advisory Committee.

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

## ADDITIONAL APPROPRIATION AUTHORITY

29. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Out of funds appropriated above related to civil monetary damages and penalties under Health and Safety Code § 431.047, there are appropriated to the department amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

30. **Unexpended Balances-Prevention and Promotion.** Subject to the approval of the Board of Health, all unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A: Prevention and Promotion, at the close of the fiscal year ending August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004. The Department of Health shall submit a report to the Legislative Budget Board and the Governor identifying any appropriations carried forward into fiscal year 2005 pursuant to this provision no later than 14 days after Board approval. The report shall be prepared in a format prescribed by the Legislative Budget Board.

31. **Contingent Revenue, Food and Drug Retail Fees.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue–Dedicated Account No. 341, Food and Drug Retail Fees, above the amounts identified in fiscal years 2004 and 2005 for Account No. 341 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of restaurant inspections. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004–05 for Revenue Objects deposited into Account No. 341.

32. **Laboratory Revenue.** The Department of Health is hereby appropriated any additional laboratory revenues, generated in General Revenue–Dedicated Account No. 524, above the amounts identified in fiscal years 2004 and 2005 for Account No. 524 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of laboratory operations. This appropriation does not include any amounts deposited into Revenue Object 3561. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004–05 for Revenue Objects deposited into Account No. 524 and exclude amounts estimated for Revenue Object 3561. Laboratory revenues deposited into Revenue Object No. 3561 are statutorily dedicated for laboratory debt service and may not be used for any other purpose.

33. **Tertiary Care Facility Program.** Pursuant to the provisions of Health and Safety Code § 46.003, out of amounts appropriated above an amount not to exceed $11,200,000 for the biennium in Strategy E.2.1, Support of Indigent Health Services, is contingent upon those amounts being collected and deposited for Tertiary Care into Revenue Object 3963 in the General Revenue Fund, not including amounts deposited into the Multi-categorical Teaching Fund Account.

Amounts deposited into General Revenue Fund in Revenue Object 3963, not including amounts deposited into the Multi-categorical Teaching Fund Account, not to exceed $11,200,000 are hereby appropriated to the Department of Health, and the department is authorized to distribute those funds to facilities or transfer some or all those funds to Strategy E.2.1, Support of Indigent Health Services.

In the event that no funds are deposited into Revenue Object 3963 in the General Revenue Fund, not including amounts deposited into the Multi-categorical Teaching Fund Account, the department shall allocate $1,000,000 in General Revenue in each year of the biennium for Tertiary Care into Revenue Object 3963 from Strategy E.2.1, Support of Indigent Health Services and such funds from Revenue Object 3963 in the General Revenue Fund are hereby appropriated.

34. **Asbestos Revenue.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue–Dedicated, Account No. 5017, Asbestos Removal Licensure, above $3,648,562 in fiscal year 2004 and $3,648,562 in fiscal year 2005, for the purpose of asbestos inspections and regulatory activities. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2004–05 for Revenue Object 3175 deposited into General Revenue–Dedicated, Account No. 5017, Asbestos Removal Licensure.

35. **Additional Appropriation for Quality Patient Care Regulation.** The Texas Department of Health is hereby appropriated for the biennium any revenues above the Biennial Revenue Estimate that are deposited in the General Revenue Fund by the Department of Health under Comptroller Objects 3616, 3560, and 3562 for the purpose of regulating social workers, health-related professionals (marriage and family therapists, dietitians, medical physicists, respiratory care practitioners, and massage therapists), and midwifery training. Funds appropriated in this item may be transferred to the appropriate strategies for the purpose of regulating social workers, health related professionals, and midwifery training.

36. **Zoonosis Surveillance Laboratory.** From funds appropriated above, the department may support the placement of Zoonosis surveillance personnel and equipment to serve Public Health Regions 9 and 10.

37. **State Health Programs Drug Manufacturer Rebates.** The Department of Health is authorized to receive and expend drug rebates and interest earnings associated with Kidney Health Care (KHC) drug rebates and Children with Special Health Care Needs (CSHCN) drug rebates and such funds are appropriated to the Department of Health. The department shall only expend the drug rebates and interest earnings for the purpose of client services for the KHC and CSHCN programs. The department shall establish a preference, within these programs, for the purchase of pharmaceutical products from those manufacturers that participate in the State Health Programs Drug Manufacturer Rebate Program for the CSHCN program and the KHC program.

## OTHER PROVISIONS

38. **Childhood Lead Registry.** Out of funds appropriated above in Strategy A.3.3, Preventable Diseases, a total of $80,700 in total funds and $65,000 in General Revenue funds each fiscal year of the 2004–05 biennium shall be used for the Childhood Lead Registry.

39. **Performance of Licensing Entities.** The Department of Health shall provide performance information to the Legislative Budget Board and the Governor no later than December 1 of each year for each board or other entity that licenses, certifies, or registers health professionals attached to or within the purview of the Department of Health. For each board or other entity, the department shall provide the following for the previous fiscal year:

    a. Number of Professionals Licensed/Certified/Placed on a Registry;
    b. Number of New License/Certificate Applications Received;
    c. Total Number of Complaints Received;
    d. Total Number of Jurisdictional Complaints Resolved; and
    e. Total Number and Type of Disciplinary Actions Taken.

40. **Performance Reporting for TDH Hospital.** The Department of Health shall submit to the Legislative Budget Board and the Governor the following information on a quarterly basis regarding hospital performance: revenue collections at the hospital, by payor type; number of inpatient patients served on a monthly basis, by type of service provided; and number of outpatient patients served on a monthly basis, by type of service provided.

41. **Notification of Regional Funds Distribution.** The Department of Health shall notify the Legislative Budget Board and the Governor of the allocation methodology or formula used to allocate funds and provide an impact analysis of any changes from the previous year's formula or percentage allocations, by public health region, at least 30 days prior to allocations made out of funds appropriated above in Strategy D.1.1, Women and Children's Health Services.

42. **Transfer for Health Professions Council.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, an amount equal to $13,465 in fiscal year 2004 and $14,741 in fiscal year 2005 shall be used for transfer to, and expenditure by, the Health Professions Council as the pro-rated assessment of the Health Licensing Division of the Department of Health.

43. **Increase Immunization.** The Department of Health shall report to the Legislative Budget Board and the Governor no later than September 30 of each year of the biennium on plans to increase immunization rates in Texas, focusing on immunization of pre-school age children. It is the intent of the Legislature that this report be used by the department in managing state and federal resources to increase immunization rates. The report shall detail the following:

    a. Methodology used to determine rates of immunization;

    b. Current immunization rates by geographic region of the state, where available, focusing on areas in which pre-school children are immunized at rates less than the state average;

    c. Specific approaches planned for the fiscal year of the report to address geographic areas of under-immunization, including:
        (1) Changes to agency procedures to more effectively reach under-immunized areas;
        (2) Contracted services and contract provisions to focus on under-immunized areas;
        (3) Performance measures, relating to increased immunization rates, which will be included in contract provisions; and
        (4) Estimated cost for each approach; and

    d. Estimates of the impact that each approach will make individually, and that the approaches will make collectively, to increase immunization rates (for geographic areas when appropriate) and to change other appropriate performance measures.

44. **Rabies Control.** Out of amounts appropriated above, up to $4,761,337 is appropriated in each fiscal year to Strategy A.3.3, Preventable Diseases, for zoonotic disease control, including rabies control.

45. **Reducing the Incidence of Vibrio Vulnificus.** Out of the funds appropriated in the Food (Meat) and Drug Safety, the Department of Health shall allocate up to $100,000 in fiscal year 2004 and $100,000 in fiscal year 2005 in the General Revenue Dedicated, Account No. 5022, Oyster Sales, for the purpose of reducing the incidence of Vibrio vulnificus. Appropriation of these funds does not preclude the use of other funds (such as federal or other grants, donations, or awards) to carry out the activities by the Department of Health as provided for herein.

46. **Expenditures Related to School Health.** The Department of Health shall expend up to $3,241,189 for the biennium in total funds, for the purpose of school health services. Further, the Department of Health shall continue to award new contracts for school health services at the rate of at least two per contract award period of the biennium. Nothing in this provision is intended to require the department to contract with an applicant that does not meet the department's qualification criteria.

47. **Indigent Health Care Technical Assistance.** It is the intent of the Legislature that the Department of Health provide technical assistance to counties as necessary to maximize efficiency in their indigent health care programs, including sharing of best practices in health care purchasing, notifying counties of the availability of federal grants, and improving the delivery of health care services.

48. **Use of Community Health Service Funds.** Out of funds appropriated above in Strategy D.2.1, Community Health Services, the Department of Health shall allocate $10,000,000 in fiscal year 2004 and $10,000,000 in fiscal year 2005 to create an FQHC Incubator Grant Program to strategically position clinics to apply for and receive support as Federally Qualified Health Centers. If on April 1 of each fiscal year, the Department of Health determines that there are insufficient qualified applications for the Incubator program to allocate the entire $10,000,000 for that year, the department shall re-direct the unallocated funds to the community medical services program under Strategy D.2.1, Community Health Services.

49. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Department of Health also receives appropriations in Article XII, Tobacco Settlement Receipts. Estimated amounts appropriated in Article XII are for the following Department of Health programs and strategies in the following amounts:

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Permanent Funds | | |
| **Tobacco Education and Enforcement** | $ 9,000,000 | $ 9,000,000 |
| A.3.5. Tobacco Education and Prevention | | |
| B.1.2. Tex Health Steps (EPSDT) - Medical | | |
| **Children & Public Health** | 4,500,000 | 4,500,000 |
| E.2.4. Public Health Services | | |
| **EMS and Trauma Care** | 4,500,000 | 4,500,000 |
| E.2.2. Emergency Health Care System | | |
| **Small Urban Hospitals** | 1,125,000 | 1,125,000 |
| E.2.3. Healthcare Facilities | | |
| Total, Tobacco Permanent Funds - TDH | $ 19,125,000 | $ 19,125,000 |

50. **State Owned Multi-categorical Teaching Hospital Account.**
    a. Out of funds appropriated above in Strategy B.1.3, Texas Health Steps (EPSDT) Dental, from the State Owned Multi-categorical Teaching Hospital Account No. 5049 ("Account"), and contingent upon legislation being enacted to allow the expenditure of the funds for children's dental services and contingent upon this amount being collected and deposited in the Account, the amount of $20,000,000 in each year of the biennium is allocated to the Department of Health. All unexpended balances at the close of the fiscal year ending August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.

    b. Out of funds appropriated above in Strategy E.2.5, Indigent Health Reimbursement, the amount of $10,000,000 in each year of the biennium in General Revenue funds is allocated to the Department of Health to reimburse the University of Texas Medical Branch for health care services provide to indigent patients.

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

51. **Medically Fragile Children.** It is the intent of the Legislature that the Texas Department of Health provide appropriate general revenue funding in fiscal years 2004 and 2005 in Strategy D.1.3, Special Needs Children, for programs specifically designed for medically fragile children, the most critical of the children with special health care needs. These programs should match state funds with private funds and follow the guidelines and criteria developed through the pilot program for medically fragile children established and funded by Rider 57 to the appropriations made to the Department of Health during the Seventy-seventh Legislature, Regular Session.

52. **Appropriation of License Plate Revenue.** Out of funds appropriated above, the Department of Health shall allocate $500,000 from revenues deposited in the General Revenue–Dedicated Fund, Account No. 5032, Animal Friendly, under § 828.014 of the Health and Safety Code for fiscal year 2004. Any unexpended balances as of August 31, 2004, from the amounts appropriated may be carried forward into fiscal year 2005.

53. **Emergency Care Attendant (ECA) Training.** Out of funds appropriated above, the Department of Health shall allocate $261,065 in fiscal year 2004 and $251,065 in fiscal year 2005 for the purpose of providing training grants to local Emergency Medical Services (EMS) instructors to conduct Emergency Care Attendant courses in or near communities lacking local training resources. The Department of Health shall contract with certified EMS instructors to conduct the 40-hour Emergency Care Attendant courses.

54. **Monitor Diabetes and Cardiovascular Health Factors.** The Texas Diabetes Council is directed to monitor diabetes health outcomes such as HbAlc, HDL, triglycerides and other cardiovascular risk factors in their state plan for diabetes treatment, education, and training.

55. **End Stage Renal Disease.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, to the Department of Health, up to $368,000 in General Revenue per year is allocated for the purpose of regulating End Stage Renal Disease facilities.

56. **Kidney Health Care Revenue.** The Department of Health is appropriated any new additional revenues generated from co-pays that are assessed by the Kidney Health Care program, are deposited in General Revenue–Dedicated Account 0524 in an amount not to exceed and included above in Strategy A.3.4, Chronic Disease Services in the amount of $2.8 million for the biennium. The additional revenues are appropriated for the purpose of client services in the Kidney Health Care program. This appropriation does not include laboratory revenues deposited in General Revenue–Dedicated Account 524 under Revenue Object 3595, any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose, any co-pays deposited for the purpose of the HIV Medication program, or any revenues deposited for the purpose of administering the J-1 Visa Waiver Program.

57. **HIV Medications Program.** The Department of Health is hereby appropriated any additional revenues generated from co-pays that are assessed by the HIV Medication program, are deposited in General Revenue–Dedicated Account 0524 and are above the amounts identified for fiscal years 2004 and 2005 in the Comptroller of Public Account Biennial Revenue estimate. The additional revenues are appropriated for the purchase of medications for the treatment of HIV disease. This appropriation does not include laboratory revenues deposited in General Revenue–Dedicated Account 0524 under Revenue Object 3595 or any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose.

58. **J-1 Visa Waiver Program.** The Department of Health is hereby appropriated any additional revenues generated from administrative fees assessed by the J-1 Visa Waiver Program, are deposited in General Revenue–Dedicated Account 0524 and are above the amounts identified for fiscal years 2004 and 2005 in the Comptroller of Public Accounts Biennial Revenue estimate. The additional revenues are appropriated for the purpose of administering the J-1 Visa Waiver Program for physicians serving in health professional shortage areas. This appropriation does not include laboratory revenue deposited in General Revenue–Dedicated Account 524 under Revenue Object 3595, any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose, or any co-pays deposited under Revenue Object for the purpose of the HIV Medication program.

59. **Mammography Fees.** Continent upon the Department of Health being authorized by the Food and Drug Administration (FDA) to be a certifying body for the purpose of certification of mammography facilities, all revenues above amounts identified in the Biennial Revenue Estimate for 2004–05 and deposited into the Certificate of Mammography Systems Account No. 5021 are hereby appropriated to the Department of Health.

60. **Nuisance Surveys for the Economically Disadvantaged Communities Program.** The Commission on Environmental Quality (TCEQ) and the Water Development Board (WDB) shall reimburse the Department of Health (TDH) for costs incurred by the agency in conducting nuisance surveys for applicants for financial assistance through the Economically Disadvantaged Communities program administered by the Water Development Board. TCEQ and WDB shall each reimburse such costs through Interagency Contracts with TDH in an amount not to exceed a total of $250,000 per agency for the biennium beginning on September 1, 2003.

61. **Appropriation for the Civil Commitment of Sexually Violent Predators.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, the amount of $0.7 million in each year of the biennium is allocated for the purpose of the civil commitment of sexually violent predators.

## HEALTH AND HUMAN SERVICES COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** IMPROVE SERVICE DELIVERY | | |
| The Health and Human Services Commission will improve the effectiveness and efficiency of the delivery of health and human services in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Offices Co-located | 57% | 57% |
| **A.1.1. Strategy:** SYSTEM INTEGRATION | $ 14,829,817 | $ 17,228,367 |
| Improve the operations of health and human service agencies in the functional areas of financial services, planning and evaluation, business system operations and coordination of service delivery. | | |
| **B. Goal:** MEDICAID | | |
| Improve the efficiency and effectiveness of the state Medicaid system. Develop a comprehensive approach to provide eligible Medicaid client health care services that are integrated with other direct service delivery programs. | | |
| **Outcome (Results/Impact):** | | |
| Dollars Recovered by OIE as Percentage of OIE Expenditures | 747 | 747 |
| Medicaid Acute Care Recipient Months Per Month | 2,476,887 | 2,577,292 |
| Medicaid Acute Care Cost Per Recipient Month | 195.91 | 203.77 |
| **B.1.1. Strategy:** STATE MEDICAID OFFICE | $ 589,709 | $ 589,709 |
| Set the overall policy direction of the state Medicaid program, and manage interagency initiatives to maximize federal dollars and improve quality of services by serving as the single state Medicaid agency. | | |
| **Output (Volume):** | | |
| Medicaid Acute Care Recipient Months Per Month: Managed Care | 970,840 | 1,010,467 |
| **B.1.2. Strategy:** INVESTIGATIONS AND ENFORCEMENT | $ 10,709,667 | $ 10,709,667 |
| Investigate fraud, waste and abuse in the provision of health and human services, enforce state law relating to the provision of those services, and provide utilization assessment and review of Medicaid client assessment. | | |
| **Efficiencies:** | | |
| Average Dollars Recovered and Saved Per Completed Medicaid Provider Investigation | 80,000 | 80,000 |
| **B.1.3. Strategy:** MEDICAID RATE SETTING FUNCTION | $ 2,252,188 | $ 2,252,188 |
| Administer Medicaid rate setting function. | | |
| **B.1.4. Strategy:** INFORMAL DISPUTE RESOLUTION | $ 650,930 | $ 650,930 |
| Administer informal dispute resolution for certain long-term care facilities. | | |
| **Efficiencies:** | | |
| Percent of Reviews Completed Within Designated Timeframes | 84 | 84 |
| **B.2.1. Strategy:** PREMIUMS: AGED & DISABLED | $ 2,427,809,763 | $ 2,247,950,742 |
| Provide medically necessary health care in the most appropriate, accessible, and cost | | |

| | | | | |
|---|---|---|---|---|
| effective setting to Medicaid aged and Medicare-related persons and Medicaid disabled and blind persons. | | | | |
| **B.2.2. Strategy:** PREMIUMS: TANF ADULTS & CHILDREN | $ | 765,568,500 | $ | 718,503,699 |
| Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Temporary Assistance for Needy Families (TANF) adults and TANF-related children. | | | | |
| **B.2.3. Strategy:** PREMIUMS: PREGNANT WOMEN | $ | 635,702,147 | $ | 591,393,780 |
| Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Medicaid eligible pregnant women. | | | | |
| **B.2.4. Strategy:** PREMIUMS: CHILDREN/MEDICALLY NEEDY | $ | 2,489,280,453 | $ | 2,398,464,268 |
| Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to newborn infants and Medicaid eligible children above the Temporary Assistance for Needy Families (TANF) income eligibility criteria, and medically needy persons. | | | | |
| **B.2.5. Strategy:** MEDICARE PAYMENTS | $ | 624,129,317 | $ | 690,716,597 |
| Provide accessible premium-based health services to certain Title XVIII Medicare eligible recipients. | | | | |
| **Output (Volume):** | | | | |
| Supplemental Medical Insurance Part B (SMIB) Recipient Months Per Month | | 431,464 | | 446,565 |
| **Efficiencies:** | | | | |
| Average SMIB Premium Per Month | | 61.84 | | 66.8 |
| **B.2.6. Strategy:** EPSDT-COMPREHENSIVE CARE | $ | 210,814,770 | $ | 234,139,355 |
| Provide diagnostic/treatment services for federally allowable Medicaid services for conditions identified through an EPSDT screen or other health care encounter but not covered or provided under the State Medicaid Plan. | | | | |
| **B.2.7. Strategy:** COST REIMBURSED SERVICES | $ | 544,729,466 | $ | 566,959,288 |
| Provide medically necessary health care to Medicaid eligible recipients for services not covered under the insured arrangement including: federally qualified health centers, undocumented aliens, school health and related services. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Undocumented Persons Receiving Emergency Medicaid Services | | 11,662 | | 13,946 |
| **Efficiencies:** | | | | |
| Average Undocumented Persons Cost Per Recipient Month | | 3,109.14 | | 3,202.41 |
| **B.2.8. Strategy:** MEDICAID VENDOR DRUG PROGRAM | $ | 1,561,414,403 | $ | 1,703,978,858 |
| Provide prescription medication to Medicaid eligible recipients as prescribed by their treating physician. | | | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Total Medicaid Prescriptions Incurred | | 29,325,871 | | 30,903,392 |
| **Efficiencies:** | | | | |
| Average Cost Per Medicaid Prescription | | 58.58 | | 65.41 |
| **Total, Goal B:** MEDICAID | $ | 9,273,651,313 | $ | 9,166,309,081 |
| **C. Goal:** INSURE CHILDREN | | | | |
| Expand health insurance coverage for uninsured children in Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Average CHIP Programs Recipient Months Per Month (Includes Immigrant Health Insurance and School Employee Children Insurance) | | 388,771 | | 345,689 |
| Average CHIP Programs Benefit Cost without Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance) | | 70.24 | | 71.13 |
| Average CHIP Programs Benefit Cost with Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance) | | 86.03 | | 88.77 |
| **C.1.1. Strategy:** CHIP | $ | 325,553,837 | $ | 246,340,462 |
| Provide health care to uninsured children who apply for insurance through CHIP. | | | | |
| **Output (Volume):** | | | | |
| Average CHIP Children Recipient Months Per Month | | 370,665 | | 329,636 |
| **C.1.2. Strategy:** IMMIGRANT HEALTH INSURANCE | $ | 301,251 | $ | 277,366 |
| Provide health care to certain uninsured, legal, immigrant children who apply for insurance through CHIP. | | | | |
| **Output (Volume):** | | | | |
| Average Legal Immigrant Children Recipient Months Per Month | | 10,434 | | 9,251 |
| **C.1.3. Strategy:** STATE EMPLOYEE CHILDREN INS (SKIP) | $ | 0 | $ | 0 |
| Augment the state's contributions for dependent health insurance coverage for certain state employees (Operational responsibility for this strategy is shared with the Employees Retirement System and higher education institutions insured through ERS). | | | | |
| **C.1.4. Strategy:** SCHOOL EMPLOYEE CHILDREN INSURANCE | $ | 6,166,061 | $ | 5,242,143 |
| Augment the state's contributions for certain school employees (Operational responsibility for this strategy is shared with the Texas Education Agency). | | | | |
| **Output (Volume):** | | | | |
| Average School Employee Children Recipient Months/Month | | 7,672 | | 6,802 |
| **C.1.5. Strategy:** CHIP VENDOR DRUG PROGRAM | $ | 34,197,260 | $ | 33,380,798 |
| Provide prescription medication to CHIP eligible recipients (includes Immigrant Health Insurance and School Employee Children Insurance) as provided by their treating physician. | | | | |
| **Output (Volume):** | | | | |
| Total Number of CHIP Prescriptions (Includes Immigrant Health Insurance and School Employee Children Insurance) | | 1,577,573 | | 1,404,253 |

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Cost Per CHIP Prescription (Includes Immigrant Health Insurance and School Employee Children Insurance) | | 44.52 | | 49.69 |
| **Total, Goal C:** INSURE CHILDREN | $ | 366,218,409 | $ | 285,240,769 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 5,964,554 | $ | 5,434,344 |
| **Grand Total,** HEALTH AND HUMAN SERVICES COMMISSION | $ | 9,660,664,093 | $ | 9,474,212,561 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 9,399,005 | $ | 11,537,613 |
| Premium Co-Payments, Low Income Children, estimated | | 18,656,595 | | 13,411,405 |
| Premium Credits (State Share), estimated | | 50,000 | | 50,000 |
| Vendor Drug Rebates–Medicaid, estimated | | 172,634,586 | | 189,307,342 |
| GR Match for Medicaid | | 3,199,841,604 | | 3,149,137,684 |
| Vendor Drug Rebates–CHIP, estimated | | 2,500,000 | | 1,500,000 |
| Experience Rebates - CHIP, estimated | | 0 | | 0 |
| Subtotal, General Revenue Fund | $ | 3,403,081,790 | $ | 3,364,944,044 |
| Federal Funds | | 6,135,823,765 | | 6,008,272,435 |
| Other Funds | | | | |
| Appropriated Receipts - Match for Medicaid | | 102,839,408 | | 82,754,556 |
| Medicaid Subrogation Receipts (State Share), estimated | | 8,561,691 | | 8,561,691 |
| Interagency Contracts | | 10,357,439 | | 9,679,835 |
| Subtotal, Other Funds | $ | 121,758,538 | $ | 100,996,082 |
| **Total, Method of Financing** | $ | 9,660,664,093 | $ | 9,474,212,561 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 505.5 | | 505.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner of Health and Human Services, Group 7 | | $189,000 | | $189,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 21,157,348 | $ | 21,169,932 |
| Other Personnel Costs | | 1,331,648 | | 1,327,191 |
| Professional Fees and Services | | 216,765,687 | | 156,957,359 |
| Fuels and Lubricants | | 152 | | 135 |
| Consumable Supplies | | 12,906 | | 11,491 |
| Utilities | | 25,670 | | 22,855 |
| Travel | | 568,470 | | 567,059 |
| Rent - Building | | 1,619,678 | | 1,610,538 |
| Rent - Machine and Other | | 44,398 | | 43,312 |

| | | |
|---|---|---|
| Other Operating Expense | 11,043,164 | 12,853,894 |
| Client Services | 9,398,617,237 | 9,270,678,037 |
| Grants | 1,731,575 | 1,731,575 |
| Capital Expenditures | 7,746,160 | 7,239,183 |
| **Total, Object-of-Expense Informational Listing** | $ 9,660,664,093 | $ 9,474,212,561 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Acquisition of Information Resource Technologies | | |
| (1) Seat Management - IR | $ 614,538 | $ 614,538 |
| (2) Enterprise HIPAA | 5,790,550 | 5,853,650 |
| Total, Capital Budget | $ 6,405,088 | $ 6,468,188 |

Method of Financing (Capital Budget):

| | | |
|---|---|---|
| General Revenue Fund | | |
| General Revenue Fund | $ 497,392 | $ 1,620,692 |
| GR Match for Medicaid | 819,652 | 704,362 |
| Subtotal, General Revenue Fund | $ 1,317,044 | $ 2,325,054 |
| Federal Funds | 2,357,084 | 2,089,784 |
| Interagency Contracts | 2,730,960 | 2,053,350 |
| Total, Method of Financing | $ 6,405,088 | $ 6,468,188 |

2. **Budget Authority for Estimated Pass-through Funds.** In addition to the amounts appropriated above for the Health and Human Services Commission, the commission may establish additional budget authority with the Comptroller of Public Accounts to reflect other estimated income except from the General Revenue Fund.

3. **Audit of Medicaid Funds.** All transactions involving the transfer or investment of any funds of the Title XIX Medicaid program, held in trust or reserve for the state by any non-governmental entity shall be subject to audit by the State Auditor's Office.

4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above–not to exceed $27,900 per year, is limited to the following advisory committees: Hospital Payment Advisory Committee and Medical Care Advisory Committee. To the maximum extent possible, the commission shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

5. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the GR Match for Medicaid appropriated above is $619,465 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.039. Any amounts above $619,465 are hereby appropriated to the Health and Human Services Commission in amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.

6. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Health and Human Services Commission also receives appropriations in Article XII. Amounts appropriated in Article XII are for the following programs in the following amounts:

   a. Children's Health Insurance Program: $146,465,725 in fiscal year 2004 and $123,278,881 in fiscal year 2005. These amounts may be expended in strategies in Goal C, Insure Children, and funding may be transferred to other agencies by interagency contract to operate these programs.

   b. Medicaid Program: $353,527,275 in fiscal year 2004 and $372,374,119 in fiscal year 2005. Funds appropriated for the Medicaid Program may be expended in strategies in Goal B, Objective 2.

   c. Tobacco Settlement receipts identified above may be transferred within Goal C and within Goal B, Objective 2. However, Tobacco Settlement receipts may not be transferred out of Goal C or out of Goal B, Objective 2, without the prior approval of the Legislative Budget Board.

7. **Federal Funds for Prescription Drug Assistance.** Contingent upon the receipt of federal funds for the purpose of providing prescription drug assistance to seniors, the Health and Human Services Commission may, with the approval of the Legislative Budget Board and the Governor, expend those funds for that purpose.

8. **Voluntary Medicaid Demonstration Pilot.** From funds appropriated above, the Commissioner of Health and Human Services is authorized to implement a voluntary pilot program in a rural area which seeks to evaluate the use of an insured model for beneficiaries of the Texas Medical Assistance Program using the Rural Community Health System, an organization designated under Chapter 20 C of the Insurance Code, provided such pilot or demonstration does not include an area currently covered under an existing Medicaid managed care pilot program.

9. **Limitation: Medicaid Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for Medicaid Strategies in Goal B may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between Medicaid Strategies in Goal B in accordance with other provisions in this Act.

10. **Vendor Drug Rebates – Medicaid.** The Health and Human Services Commission is authorized to expend Medicaid rebate revenues pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990. Expenditures shall be made from rebates received in fiscal years 2004 and 2005. As rebates are generated, expenditures shall be made from rebate revenues as a first source and General Revenue as a second source to support the Medicaid Vendor Drug Program. Once the Health and Human Services Commission has generated and expended the amounts identified in the method of finance as Vendor Drug Rebates – Medicaid above for each fiscal year, the commission is appropriated and authorized to expend additional amounts generated, subject to the following requirements:

a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

b. In the event General Revenue has been expended prior to the receipt of vendor drug rebates, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of Medicaid vendor drug rebate balances; and

c. The commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid vendor drug receipts, expenditures, and anticipated revenues and balances.

11. **Medicaid, CHIP and Other Reporting Requirements.** None of the funds appropriated by this Act to the Health and Human Services Commission may be expended or distributed by the Commission unless:

a. The Commission submits notification of proposed State Plan amendments or waivers for Medicaid, CHIP, TANF and any other federal grant requiring a state plan, in accordance with the Commission's authority under Chapter 531, Government Code, to the Legislative Budget Board and the Governor no later than the date any such amendment or waiver proposal is submitted to the federal government. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees;

b. The Commission submits notification of any change in reimbursement rates or methodologies, including rates negotiated with managed care entities, relating to any services provided under Titles XIX and XXI of the Social Security Act (Medicaid and the Children's Health Insurance Program), TANF, or other federal grants in accordance with the Commission's authority under Chapter 531, Government Code, to the Legislative Budget Board and the Governor. Notification of changes in reimbursement rates or methodologies shall be made at least 14 days before the proposed reimbursement modification is to become effective;

c. The Commission submits reports as follows to the Legislative Budget Board and the Governor by the end of each quarter: i) a report detailing Medicaid, Medicare, CHIP, Immigrant Health Insurance, and School Employee Children Insurance caseload and prescription drug figures and related expenditure amounts for the preceding 36 months period; ii) a report projecting anticipated Medicaid, Medicare, CHIP, Immigrant Health Insurance, and School Employee Children Insurance caseload and prescription drug figures and related expenditure amounts for the 36 months period beginning with the first month after the report is due; and iii) other budget information as prescribed by the Legislative Budget Board and the Governor, including but not limited to the following: premium credits, interest earnings, experience rebates, vendor drug rebates, Medicaid Subrogation Receipts, premium co-payments, and appropriated receipts used as match for federal funds;

d. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor;

e. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon his or her belief together with supporting documentation; and

f. The Comptroller of Public Accounts shall not allow expenditures of funds appropriated by this Act to the Health and Human Services Commission if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.

12. **Medicaid Subrogation Receipts (State Share).** For the purposes of this provision, Medicaid Subrogation Receipts are defined as tort settlements related to the Medicaid program. Amounts defined as Medicaid Subrogation Receipts are to be deposited into the General Revenue Fund, Object No. 3802. The commission is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recoupments and interest earnings received in fiscal year 2004 and fiscal year 2005. The use of the state's share of Medicaid Subrogation Receipts is limited to funding services for Medicaid clients. Medicaid Subrogation Receipts shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Subrogation Receipts (State Share), the commission is hereby appropriated and authorized to expend these Other Funds thereby made available, subject to the following requirements:

    a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

    b. In the event General Revenue has been expended prior to the receipt of the state's share of Medicaid Subrogation Receipts, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of Medicaid Subrogation Receipt balances; and

    c. The commission shall report as requested to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid Subrogation Receipts, expenditures, and anticipated revenues and balances.

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

13. **Transfers from 2005 to 2004.** In addition to the transfer authority provided elsewhere in this Act and in order to provide for unanticipated events that increase costs associated with providing Medicaid or CHIP services for eligible clients, the Health and Human Services Commission is authorized to transfer up to $200 million in General Revenue from funds appropriated in Medicaid or CHIP strategies in the second year of the biennium to the first year of the biennium. Such transfers may only be made subject to the following:

    a. Transfers under this section may be made only:

        (1) if costs associated with providing Medicaid or CHIP services exceed the funds appropriated for these services for fiscal year 2004.

        (2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.

    b. Transfers may not exceed $200,000,000 in General Revenue.

    c. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.

d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

14. **Medical Treatment.** The Texas Health and Human Services Commission may distribute funds for medical, dental, psychological, or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the commission may modify or suspend this rider to the extent necessary to prevent such loss of funds, provided that prior approval is obtained from the Governor and the Legislative Budget Board.

15. **Reporting of Child Abuse.** The Texas Health and Human Services Commission may distribute or provide appropriated funds only to recipients who show good-faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.

16. **Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Health and Human Services Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Health and Human Services Commission and the responsible federal agency, and such other activities as come under the authority of the Commissioner of Health and Human Services, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.

17. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the commission for the 2004–05 biennium.

18. **Risk Stabilization Reserve.** Upon termination of a contract with the fiscal agent or insurance carrier for purchased health insurance, or change to another fiscal arrangement, the state's share of the unexpended balance in the risk stabilization reserve and/or trust account is hereby appropriated to the Health and Human Services Commission as a premium credit. The Health and Human Services Commission shall report to the Legislative Budget Board balance amounts to be received, amounts received, and the proposed use for such funds.

19. **Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Health and Human Services Commission is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The commission shall be responsible for monthly allocations of these costs to the original strategies.

20. **Payment of Hospital Providers.** At the hospital's option, all payments from funds appropriated for acute care services made to hospitals with 100 or fewer licensed beds may be reimbursed under a cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), using the most current available cost figures. Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap.

    At initial cost settlement of the hospital's fiscal year, the Health and Human Services Commission shall determine the amount of reimbursement the hospital would have been paid under TEFRA cost principles, and if the amount of reimbursement under the TEFRA principles is greater than the amount of reimbursement received by the hospital under the prospective payment system, the Health and Human Services Commission shall reimburse the hospital the difference.

21. **Payments to Rural Hospitals under Medicaid Managed Care.** All payments from funds appropriated for acute care services made to rural hospitals with 100 or fewer licensed beds in counties with fewer than 50,000 persons that are in a Medicaid managed care program must be reimbursed at a rate calculated using the higher of the prospective payment system rate or cost-reimbursement methodology authorized under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Under a full-risk managed care pilot project, the participating managed care organizations shall reimburse the hospitals. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.

22. **Payments to Rural Physicians under Medicaid Managed Care.** All payments made to physicians who practice in rural counties with fewer than 50,000 persons and who participate in a Medicaid managed care program must be reimbursed at the Medicaid fee schedule, or in the case of a full-risk managed care model, at a rate using the current Medicaid fee schedule, including negotiated fee for service. Under a primary care case management system model, primary care physicians also shall be paid a monthly case management fee. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.

23. **Disposition of Appropriation Transfers from State-owned Hospitals.** The Health and Human Services Commission shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments due to state-owned hospitals. Any amounts of such transferred funds not required for disproportionate share payments shall be deposited by the Health and Human Services Commission to the General Revenue Fund as unappropriated revenue. At the beginning of each fiscal year, the Health and Human Services Commission shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board. The Comptroller of Public Accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Governor.

24. **Graduate Medical Education Payments.** In order to maintain Medicaid graduate medical education funding to teaching hospitals or hospital-affiliated clinics, the Health and Human Services Commission shall separate all identified inpatient graduate medical education funds from the Medicaid reimbursement formulas and make separate and direct payments to hospitals or hospital-affiliated clinics that have accredited graduate medical education training programs or that have affiliation agreements with accredited graduate medical education training programs. The payments shall reimburse each hospital or hospital-affiliated clinic's expenditure on graduate medical education, taking into consideration Medicaid volume and number of filled positions in accredited medical residency programs.

25. **Medicaid Support and Information Services.** Out of the funds appropriated above in Goal B: Medicaid, such funds as are necessary to implement the project are allocated for the Medicaid Help Line authorized under § 531.021, Government Code. It is the intent of the Legislature that, under the authority of the Commissioner of Health and Human Services, the Health and Human Services Commission shall operate this service for Medicaid recipients enrolled in managed care plans.

26. **Medicaid Informational Rider.** This rider is informational only and does not make any appropriations. The Health and Human Services Commission is the single state agency for Title XIX, the Medical Assistance Program (Medicaid) in Texas. Other agencies receive appropriations for and responsibility for the operations of various Medicaid programs. Appropriations made elsewhere in this Act, related to the Medicaid program, include the following:

| Agency Name | 2004 | 2005 |
|---|---|---|
| Texas Commission for the Blind | $ 455,873 | $ 457,499 |
| Interagency Council on Early Childhood Intervention | $ 17,213,069 | $ 18,159,650 |
| Texas Department of Health | $ 475,951,007 | $ 510,806,059 |
| Health and Human Services Commission | $ 9,277,984,509 | $ 9,170,118,719 |
| Department of Human Services | $ 3,792,032,526 | $ 3,553,031,406 |
| Department of Mental Health and Mental Retardation | $ 1,239,175,857 | $ 1,203,770,555 |
| Department of Protective and Regulatory Services | $ 108,133,443 | $ 112,027,659 |
| Article XII, Tobacco Settlement Receipts | $ 353,527,275 | $ 372,374,119 |
| **Total, Medical Assistance Program** | **$ 15,264,473,559** | **$ 14,940,745,666** |
| | | |
| **Method of Financing:** | | |
| General Revenue for Medicaid | $ 5,524,291,226 | $ 5,407,802,457 |
| Tobacco Settlement Receipts for Medicaid | $ 353,527,275 | $ 372,374,119 |
| Subtotal, General Revenue Funds | $ 5,877,818,501 | $ 5,780,176,576 |
| | | |
| General Revenue - Dedicated | $ 47,916,224 | $ 47,909,502 |
| Federal Funds | $ 9,227,337,735 | $ 9,021,343,341 |
| Other Funds | $ 111,401,099 | $ 91,316,247 |
| | | |
| **Total, All Funds** | **$ 15,264,473,559** | **$ 14,940,745,666** |

27. **Transfer Authority.** Subject to the limitations contained in provision No. 9, Limitation: Medicaid Transfer Authority, and notwithstanding any other provision, appropriations contained in this Act to the Health and Human Services Commission may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, upon approval by the Commissioner, subject to the following reporting requirements:

    a. At least 14 days prior to any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.

    b. At least 30 days prior to adopting or implementing a program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in the delivery of new or additional services not previously provided or the delivery of services to additional client populations.

    c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection; and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

28. **Payment of August 2005 Premium.** The Health and Human Services Commission is hereby authorized to defer its August 2005 Medicaid premium payment until September 2005 and to pay the August 2005 premium from fiscal year 2006 appropriations. The August 2005 premium is estimated to total $300 million in All Funds, including $120 million in General Revenue. Out of funds appropriated above, 13 premium payments are assumed for fiscal year 2004 and 11 premium payments are assumed for fiscal year 2005.

29. **Medicaid Provider Reimbursement.** The Health and Human Services Commission shall establish and maintain a provider reimbursement methodology that recognizes and rewards high volume Medicaid practitioners, especially those along the Texas-Mexico border and in medically underserved inner-city areas, where Medicaid funding is vital to the health care delivery system.

30. **Medicaid Reimbursement Rates for Texas State Veterans Homes.** It is the intent of the Legislature that the Health and Human Services Commission, in consultation with the Texas Veterans Land Board and pursuant to existing general law authority, should establish Medicaid reimbursement rates for long-term care services provided to Medicaid-eligible veterans who reside in veterans homes established and operated pursuant to Chapter 164, Natural Resources Code, that contract with the Texas Department of Human Services to provide nursing facility services. The Health and Human Services Commission shall report on December 1 of each fiscal year in the biennium to the Legislative Budget Board and the Governor on the following: how many, on average, Medicaid-eligible veterans are in the veteran's homes; how many current residents of the homes are determined to be Medicaid eligible in the prior fiscal year; how many Medicaid-eligible veterans transfer into the homes and how many enter the homes as their initial nursing facility during the previous fiscal year. In addition, the report shall contain the total amount of Medicaid reimbursements paid in the prior fiscal year for veterans, the average daily rate paid to the facilities, and any other information requested by the Legislative Budget Board and the Governor.

31. **Use of Additional Premium Credits.** For the purposes of this provision, premium credits are defined as: 1) refunds/rebates of previously paid premiums and interest earnings generated in relationship to the Risk Stabilization Reserve and other accounts listed below; and 2) managed care rebates as described below. Amounts defined as premium credits are to be deposited into the General Revenue Fund, Object No. 3639. The Health and Human Services Commission is authorized to receive and spend premium credits and interest earnings generated from fund balances with the Risk Stabilization Reserve, the Disbursement Account, and the STAR (Managed Care) Account, as defined in the contractual agreement with the fiscal agent and/or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA). The department is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in fiscal years 2004 and 2005. The use of the credits, managed care rebates, and interest earnings is limited to funding services for Medicaid clients. Premium credits shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Premium Credits, the department is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:

    a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

    b. In the event General Revenue has been expended prior to the receipt of premium credits, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of premium credit balances; and

    c. The commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptroller's Office on premium credit receipts, expenditures, and anticipated revenues and balances.

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

32. **Prescription Drug Cost-efficiency.** It is the intent of the Legislature that the Health and Human Services Commission provide medically-needed prescription drugs in the most cost-efficient manner possible. Further, it is the intent of the Legislature that the commission take into account data reported by drug manufacturers and wholesalers, pursuant to §§ 431.116 and 431.208 of the Health and Safety Code, when establishing reimbursement rates for prescription drugs. Notwithstanding other provisions contained in this Act, funds appropriated above in Strategy B.2.8, Medicaid Vendor Drug Program, are made subject to the following conditions:

    a. The Health and Human Services Commission shall provide a schedule of average manufacturer prices and wholesale purchase prices, as compiled from drug manufacturers and wholesalers pursuant to §§ 431.116 and 431.208 of the Health and Safety Code, to the State Auditor's Office, the Governor, and the Legislative Budget Board on a semi-annual basis.

        (1) Specifically, the commission shall provide a schedule with updated data on the following dates: September 1, 2003, February 1, 2004, September 1, 2004, and February 1, 2005.

        (2) The schedule shall detail the source and date of each reported price.

(3) The schedule shall note each manufacturer and wholesaler participating in the Medicaid or CHIP Vendor Drug programs that has not provided data as required by state law. The schedule shall also note what action has been taken by the Attorney General to enforce compliance.

(4) The report shall detail how the reported data has or will influence the reimbursement levels established by the Health and Human Services Commission for prescription drugs.

b. No funds may be transferred into Strategy B.2.8, Medicaid Vendor Drug Program, without the prior approval of the Legislative Budget Board.

33. **Vendor Drug Rebates - CHIP.** The Health and Human Services Commission is authorized to expend CHIP rebate revenues. The method of financing item, Vendor Drug Rebates - CHIP, for appropriations made above, includes unexpended and unobligated balances of Vendor Drug Rebates - CHIP remaining as of August 31, 2003, and receipts earned in fiscal years 2004 and 2005. As rebates are generated, expenditures shall be made from CHIP rebate revenues as a first source and General Revenue as a second source to support the CHIP Vendor Drug Program. Once the Health and Human Services Commission has generated and expended the amounts identified in the method of finance as Vendor Drug Rebates–CHIP above for each fiscal year, the commission is appropriated and authorized to expend additional amounts generated, subject to the following requirements:

a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

b. In the event General Revenue has been expended prior to the receipt of CHIP vendor drug rebates, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP vendor drug rebate balances; and

c. The commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on CHIP vendor drug receipts, expenditures, and anticipated revenues and balances.

34. **CHIP-related Programs Informational Rider.** This rider is informational only and does not make any appropriations. Appropriations for the Children's Health Insurance Program (CHIP) and related programs are located in the Health and Human Services Commission's bill pattern as well as in Article XII, Tobacco Settlement Receipts. Relevant strategies and funding levels are identified below:

| Agency Name | 2004 | 2005 |
|---|---|---|
| HHSC Strategy C.1.1., CHIP | $ 325,553,837 | $ 246,340,462 |
| HHSC Strategy C.1.2., Immigrant Health Insurance | $ 301,251 | $ 277,366 |
| HHSC Strategy C.1.3., State Employee Children Insurance (SKIP) | $ 0 | $ 0 |
| HHSC Strategy C.1.4., School Employee Children Insurance | $ 6,166,061 | $ 5,242,143 |

| | | |
|---|---|---|
| HHSC Strategy C.1.5., CHIP Vendor Drug Program | $ 34,197,260 | $ 33,380,798 |
| Article XII, Strategy A.1.1., Children's Health Insurance/HHSC (Includes funding for Immigrant Health Insurance and SKIP) | $ 146,465,725 | $ 123,278,881 |
| **Total, CHIP-related Programs** | **$ 512,684,134** | **$ 408,519,650** |
| | | |
| **Method of Financing:** | | |
| General Revenue | $ 6,730,205 | $ 5,782,689 |
| Tobacco Settlement Receipts (Funding for Immigrant Health Insurance and SKIP) | $ 16,780,669 | $ 17,485,000 |
| Tobacco Receipts Match for Title XXI (CHIP) | $ 129,685,056 | $ 105,793,881 |
| Premium Co-Payments, Low-Income Children | $ 18,656,595 | $ 13,411,405 |
| Vendor Drug Rebates - CHIP | $ 2,500,000 | $ 1,500,000 |
| Experience Rebates - CHIP | $ 0 | $ 0 |
| Subtotal, General Revenue Fund | $ 174,352,525 | $ 143,972,975 |
| | | |
| Federal Funds | $ 338,331,609 | $ 264,546,675 |
| | | |
| **Total, All Funds** | **$ 512,684,134** | **$ 408,519,650** |

35. **Use of Additional CHIP Experience Rebates.** For the purposes of this provision, CHIP Experience Rebates are defined as: 1) refunds/rebates of previously paid CHIP premiums and related interest earnings; and 2) managed care rebates and related interest earnings as described below. Amounts defined as CHIP Experience Rebates are to be deposited into the General Revenue Fund. The Health and Human Services Commission is authorized to receive and spend experience rebates generated in accordance with its contractual agreements with managed care organizations and other providers who participate in the CHIP, Immigrant Health Insurance, and School Employee Health Insurance programs. Expenditures shall be made from CHIP Experience Rebates generated in fiscal years 2004 and 2005. The method of financing item, Experience Rebates - CHIP, for appropriations made above, includes unexpended and unobligated balances of Experience Rebates - CHIP remaining as of August 31, 2003, and receipts earned in fiscal years 2004 and 2005.

    The use of CHIP Experience Rebates is limited to health care services for CHIP clients. CHIP Experience Rebates shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support CHIP-related programs. In the event that these revenues should be greater than the amounts identified in the method of finance above as Experience Rebates - CHIP, the department is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:

a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

b. In the event General Revenue has been expended prior to the receipt of CHIP Experience Rebates, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP Experience Rebate balances; and

c. The commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on CHIP Experience Rebate receipts, expenditures, and anticipated revenues and balances.

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

36. **Rate Analysis and Reporting Requirements.**

a. None of the funds appropriated by this Act to the Health and Human Services Commission may be expended or distributed by the commission unless:

(1) the commission submits to the Legislative Budget Board at least 60 days prior to the approval of any rate increase or program expansion for the Medicaid or CHIP programs:

i. notification of the proposed rate increase or program expansion; and
ii. a five-year cost impact analysis report using the most current caseload forecast.

(2) The cost impact analysis report shall be prepared in a format approved by the Legislative Budget Board.

b. Each report submitted to the Legislative Budget Board pursuant to this provision must contain a certification by the Chief Financial Officer and the Health and Human Services Commissioner that the information provided is true and correct based upon their belief together with supporting documentation. Additionally, the Chief Financial Officer and the Health and Human Services Commissioner must either indicate that the proposed action is within biennial appropriated/available funding or estimate the amounts (including General Revenue and All Funds) by which the proposed action will exceed biennial appropriated/available funding.

c. The Office of the State Auditor shall review the commission's documentation, supporting records, and justification, and report back to the Legislative Budget Board prior to the approval action.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Health and Human Services Commission if the Legislative Budget Board certifies to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.

37. **Independent Living Transitional Medical Assistance.** It is the intent of the Legislature that out of funds appropriated above to Goal B, Medicaid Services, the Health and Human Services Commission shall continue to allow foster care children to remain on Medicaid until age 21.

38. **Cash Basis Expenditures Authorization.** Notwithstanding any other provision of this Act, the Health and Human Services Commission is authorized to expend Medicaid appropriations in a fiscal year without regard to date of service. The authorization herein is limited to expenditures for claims payments, premiums, cost settlements, and other related expenses to Medicaid client services.

39. **Performance Reporting for the Prescription Drug Rebate Program.** The Commission shall report on a quarterly basis the following information to the Legislative Budget Board and the Governor's Office: the outstanding prescription drug rebate balances for the Medicaid, CHIP, Kidney Health, and Children with Special Health Care Needs programs. The report shall include rebate principal and interest outstanding, age of receivables, and annual collection rates. The reports shall specify amounts billed, dollar value of pricing adjustments, dollar value of utilization adjustments, and dollars collected. The Commission shall report these data on each year for which the Prescription Drug Rebate program has collected rebates and also on a cumulative basis for all years.

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

40. **Use of Local Funds for 211 Project.** The Health and Human Services Commission is authorized to utilize local funds (appropriated receipts classified as Other Funds) as match for federal funds–including but not limited to federal funds designated for bioterrorism, homeland security, technology initiatives, and other initiatives–for the 211 project. Use of local funds shall not preclude the expenditure of General Revenue for the 211 project, to the extent that such dollars are available for this purpose from funds appropriated above.

41. **Umbilical Cord Blood Bank.** Out of funds appropriated above, the Health and Human Services Commission shall use up to $3,500,000 in General Revenue for an unrelated donor umbilical cord blood bank, subject to the following limitations:

    The entity awarded a grant or contract by the Health and Human Services Commission shall provide local matching funds in an amount equal to funding provided by the Commission. The Comptroller of Public Accounts shall certify that an appropriate amount of local matching funds have been made available prior to releasing state funding; and

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

## DEPARTMENT OF HUMAN SERVICES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LONG-TERM CARE CONTINUUM<br>To provide appropriate care based on individual needs ranging from in-home and community-based services for elderly people and people with disabilities who request assistance in maintaining their independence and increasing their quality of life, to institutional care for those who require that level of support, seeking to ensure health and safety and to maintain maximum independence for the client while providing the support required. | | |

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Percent of Long-term Care Clients Served in Community Settings | | 68.37% | | 69.16% |
| Percent of Facilities Complying with Standards at Time of Inspection for Licensure and/or Medicare/Medicaid Certification | | 66% | | 66% |
| Percent of Complaints and Referrals Resulting in Disciplinary Action: Nursing Facility Administrators | | 85% | | 85% |
| **A.1.1. Strategy:** COMMUNITY CARE - ENTITLEMENT | $ | 661,375,478 | $ | 702,209,098 |
| Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Clients Served Per Month: Medicaid Nonwaiver Community Care | | 94,241 | | 101,917 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Client Served: Medicaid Nonwaiver Community Care | | 584.27 | | 583.93 |
| **A.1.2. Strategy:** COMMUNITY CARE - WAIVERS | $ | 538,712,080 | $ | 538,712,083 |
| Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Clients Served Per Month: Medicaid Community-based Alternatives (CBA) Waiver | | 30,581 | | 30,581 |
| Average Number of Clients Served Per Month: Medicaid Related Conditions Waiver (CLASS) | | 1,884 | | 1,884 |
| Average Number of Clients Served Per Month: Medicaid Deaf-blind with Multiple Disabilities Waiver | | 145 | | 145 |
| Average Number of Clients Served Per Month: Medicaid Dependent Children Program Waiver | | 1,071 | | 1,071 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Client Served: Medicaid Community-based Alternatives (CBA) Waiver | | 1,223.03 | | 1,223.03 |
| Average Monthly Cost Per Client Served: Medicaid Related Conditions Waiver (CLASS) | | 2,602.88 | | 2,602.88 |
| Average Monthly Cost Per Client Served: Medicaid Deaf-blind with Multiple Disabilities Waiver | | 3,493.96 | | 3,493.96 |
| Average Monthly Cost Per Client Served: Medicaid Dependent Children's Program Waiver Services | | 1,392.93 | | 1,392.93 |
| **A.1.3. Strategy:** COMMUNITY CARE - STATE | $ | 76,752,515 | $ | 76,752,415 |
| Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Clients Served Per Month: Non-Medicaid Community Care | | 13,700 | | 13,700 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Client Served: Non-medicaid Community Care | | 441.19 | | 441.19 |
| **A.1.4. Strategy:** LTC ELIGIBILITY & SERVICE PLANNING | $ | 101,478,121 | $ | 100,965,691 |
| Provide timely and accurate eligibility determination for all individuals who apply and | | | | |

| | | |
|---|---|---|
| service planning and referral for all elderly persons and persons with disabilities who qualify for services. | | |
| **Output (Volume):** | | |
| Average Number of Persons Eligible Per Month: Community Care | 141,690 | 149,366 |
| Average Case Equivalents Per Long-term Care Medicaid Financial Eligibility Worker | 285 | 295 |
| **Efficiencies:** | | |
| Average Monthly Cost Per Case: Community Care | 21.47 | 22.25 |
| **A.1.5. Strategy:** NURSING FACILITY & HOSPICE PAYMENTS | $ 2,023,246,799 | $ 1,752,402,902 |
| Provide payments which will promote quality care for clients with medical problems that require nursing facility or hospice care. | | |
| **Output (Volume):** | | |
| Average Number of Persons Receiving Medicaid-funded Nursing Facility Services Per Month | 61,035 | 61,767 |
| Average Number of Clients Receiving Copaid Medicaid/Medicare Nursing Facility Services Per Month | 5,751 | 6,160 |
| Average Number of Clients Receiving Hospice Services Per Month | 3,995 | 4,293 |
| **Efficiencies:** | | |
| Net Nursing Facility Cost Per Medicaid Resident Per Month | 2,263.99 | 2,233.7 |
| Net Payment Per Client for Copaid Medicaid/Medicare Nursing Facility Services Per Month | 1,472.62 | 1,501.51 |
| Average Payment Per Client per Month for Hospice | 2,081.64 | 2,076.11 |
| **A.1.6. Strategy:** INTEGRATED MANAGED CARE SYSTEMS | $ 282,605,605 | $ 291,189,698 |
| Promote the development of integrated managed care systems for aged and disabled clients. | | |
| **Output (Volume):** | | |
| Average Number of Aged and Medicare-eligible Recipients Per Month: STAR+PLUS Managed Care | 29,097 | 29,929 |
| Average Number of Disabled and Blind Recipients Per Month: STAR+PLUS Managed Care | 22,572 | 22,700 |
| Average Number of Recipients Per Month: Program for All Inclusive Care (PACE) | 1,008 | 1,070 |
| **Efficiencies:** | | |
| Average Monthly Cost Per Aged and Medicare-eligible Recipient: STAR+PLUS Managed Care | 160.12 | 164.35 |
| Average Monthly Cost Per Disabled and Blind Recipient: STAR+PLUS Managed Care | 663.9 | 679.87 |
| Average Monthly Cost Per Recipient: Program for All Inclusive Care (PACE) | 2,309.74 | 2,300.4 |
| **A.2.1. Strategy:** LONG-TERM CARE FACILITY REGULATION | $ 45,226,918 | $ 45,226,918 |
| Provide licensing, certification and contract enrollment services, as well as financial monitoring and complaint investigation, to ensure that residential facilities comply with state and federal standards and that residents receive high-quality services and are protected from abuse, neglect, and exploitation. | | |
| **Output (Volume):** | | |
| Number of Inspections Completed Per Year | 4,855 | 4,855 |
| Number of Complaint and Incident Investigations Completed | 16,566 | 16,566 |
| Total Dollar Amount Collected from Fines | 3,409,124 | 3,409,124 |
| **A.2.2. Strategy:** LONG-TERM CARE CREDENTIALING | $ 959,122 | $ 959,124 |
| Provide credentialing, training and enforcement services to qualify individuals to provide services to long-term care facility and home health care agency clients in compliance with applicable law and regulations. | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Licenses Issued or Renewed Per Year: Nursing Facility Administrators | | 1,322 | | 939 |
| **A.2.3. Strategy:** HOME/COMM SUPPORT SVCS LICENSING | $ | 6,544,526 | $ | 6,544,566 |
| Provide licensing, inspection, and certification services to home and community support services agencies for the protection of clients and to ensure compliance with state and federal standards. | | | | |
| **Output (Volume):** | | | | |
| Number of Home and Community Support Services Agency Licenses Issued | | 2,379 | | 2,379 |
| Number of Home and Community Support Services Agency Inspections Conducted | | 1,547 | | 1,547 |
| Number of Complaint Investigations Conducted On-site: Home and Community Support Services Agencies | | 767 | | 767 |
| **A.2.4. Strategy:** LTC QUALITY OUTREACH | $ | 5,229,422 | $ | 5,231,926 |
| Provide Quality Monitoring and Rapid Response Team Visits in order to assess quality and promote quality improvement in LTC facilities. | | | | |
| **Total, Goal A:** LONG-TERM CARE CONTINUUM | $ | 3,742,130,586 | $ | 3,520,194,421 |
| **B. Goal:** ENCOURAGE SELF-SUFFICIENCY | | | | |
| To encourage self-sufficiency and long-term independence from public assistance by providing prompt, accurate, comprehensive, and effective support and preventive services to low-income families. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Total Children in Poverty Receiving TANF | | 17.93% | | 17.13% |
| Unduplicated Number of TANF Adult Clients per Year Who Have Exhausted Their Time-limited Benefits | | 10,331 | | 12,486 |
| Percent of Poverty Met by TANF, Food Stamps and Medicaid Benefits/Family of Three | | 75.78% | | 76.18% |
| Percent of TANF Cases Required to Sign the TANF Responsibility Agreement Who Are in Compliance with All Requirements in the Responsibility Agreement | | 65% | | 62% |
| **B.1.1. Strategy:** TANF GRANTS (FORMERLY AFDC) | $ | 264,588,889 | $ | 248,577,740 |
| Provide Temporary Assistance for Needy Families (TANF) grants to eligible low-income persons in Texas. | | | | |
| **Output (Volume):** | | | | |
| Number of TANF Recipients Per Month | | 313,568 | | 303,826 |
| Number of TANF State-paid Recipients Per Month | | 26,439 | | 24,679 |
| Average Number of TANF One-time Payments Per Month | | 706 | | 695 |
| **Efficiencies:** | | | | |
| Average Monthly Grant: TANF | | 56.37 | | 57.18 |
| Average Monthly Grant: TANF - State Paid | | 49.98 | | 50.75 |
| **B.1.2. Strategy:** CSS ELIG & ISSUANCE SERVICES | $ | 503,407,010 | $ | 401,136,765 |
| Provide accurate and timely eligibility and issuance services for employment resources, financial assistance, medical benefits, and food stamps through the use of new technology, improved management practices, and implementation of sufficient staff levels. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Families Determined Eligible Monthly - TANF | | 23,335 | | 22,788 |
| Average Number of Households Determined Eligible Monthly - Food Stamps | | 161,202 | | 166,601 |
| Average Number of Cases Determined Eligible Monthly - Children, Pregnant Women, and Medically Needy Program (CPW) Medicaid) | | 130,630 | | 187,370 |
| Average Number of Recipients Per Month: Food Stamps | | 2,183,158 | | 2,277,322 |

| | | | | |
|---|---|---|---|---|
| Average Number of Recipients Per Month: Children, Pregnant Women, and Medically Needy Program (CPW Medicaid) | | 1,462,955 | | 1,606,237 |
| **B.1.3. Strategy:** NUTRITION ASSISTANCE | $ | 209,075,936 | $ | 218,892,398 |
| Increase the availability of federal nutrition assistance by providing reimbursement for nutritious meals, food distribution, and nutrition education. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Children and Adults Served Meals Through Child and Adult Care Food Program Per Day | | 224,891 | | 234,296 |
| **B.1.4. Strategy:** REFUGEE ASSISTANCE | $ | 18,777,966 | $ | 18,781,977 |
| Assist refugees and immigrants in attaining self-sufficiency through financial, medical, and social services, and disseminate information to interested individuals. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Refugees Receiving Financial and Medical Assistance Per Month | | 2,200 | | 2,200 |
| **Total, Goal B:** ENCOURAGE SELF-SUFFICIENCY | $ | 995,849,801 | $ | 887,388,880 |
| **C. Goal:** FAMILY VIOLENCE SERVICES | | | | |
| To promote self-sufficiency, safety, and long-term independence from family violence for adult victims and their children by providing emergency, support, and preventive services. | | | | |
| **C.1.1. Strategy:** FAMILY VIOLENCE SERVICES | $ | 22,015,788 | $ | 22,019,788 |
| Provide emergency shelter and support services to victims of family violence and their children, educate the public, and provide training and prevention support to institutions and agencies. | | | | |
| **Output (Volume):** | | | | |
| Number of Women and Children Served | | 83,349 | | 83,349 |
| **Efficiencies:** | | | | |
| Department of Human Services Average Cost Per Person Receiving Emergency Shelter and/or Nonresident Services | | 264.12 | | 264.12 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 26,635,709 | $ | 26,653,890 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 51,145,666 | $ | 52,174,095 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 10,869,253 | $ | 10,919,253 |
| **D.1.4. Strategy:** REGIONAL ADMINISTRATION | $ | 10,393,084 | $ | 10,265,598 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 99,043,712 | $ | 100,012,836 |
| **Grand Total,** DEPARTMENT OF HUMAN SERVICES | $ | 4,859,039,887 | $ | 4,529,615,925 |

**Method of Financing:**

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 22,434,669 | $ | 20,610,123 |
| GR Match for Medicaid | | 1,501,039,121 | | 1,421,158,766 |
| GR MOE for Temporary Assistance for Needy Families | | 118,101,619 | | 116,728,817 |
| Earned Federal Funds | | 29,700,000 | | 0 |
| GR Match for Food Stamp Administration | | 130,985,086 | | 120,989,148 |
| Subtotal, General Revenue Fund | $ | 1,802,260,495 | $ | 1,679,486,854 |

| | | |
|---|---|---|
| General Revenue Fund - Dedicated | | |
| Home Health Services Account No. 5018 | 2,440,319 | 2,440,319 |
| Compensation to Victims of Crime Account No. 469 | 17,344,848 | 17,348,848 |
| Subtotal, General Revenue Fund - Dedicated | $ 19,785,167 | $ 19,789,167 |
| Federal Funds | 2,988,646,748 | 2,797,636,324 |
| Other Funds | | |
| Appropriated Receipts | 7,932,382 | 7,967,549 |
| Interagency Contracts | 23,400,169 | 24,736,031 |
| Bond Proceeds - Revenue Bonds | 17,014,926 | 0 |
| Subtotal, Other Funds | $ 48,347,477 | $ 32,703,580 |
| **Total, Method of Financing** | $ 4,859,039,887 | $ 4,529,615,925 |
| **Number of Full-Time-Equivalent Positions (FTE)- State and Federal Funds** | 12,610.4 | 12,590.2 |
| **Number of Full-Time-Equivalent Positions (FTE)- Local and Federal Funds** | 750.0 | 750.0 |
| **Number of Full-Time-Equivalent Positions (FTE)- All Funds (Total)** | 13,360.4 | 13,340.2 |
| **Schedule of Exempt Positions:** | | |
| Commissioner, Group 6 | $150,000 | $150,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 412,711,553 | $ 413,183,138 |
| Other Personnel Costs | 20,496,881 | 15,431,061 |
| Professional Fees and Services | 31,049,072 | 31,325,130 |
| Fuels and Lubricants | 71,279 | 72,761 |
| Consumable Supplies | 9,516,928 | 9,588,122 |
| Utilities | 11,642,797 | 11,730,104 |
| Travel | 9,673,131 | 10,179,354 |
| Rent - Building | 36,476,452 | 37,540,088 |
| Rent - Machine and Other | 5,057,702 | 5,095,716 |
| Other Operating Expense | 93,365,439 | 92,194,170 |
| Client Services | 4,073,679,696 | 3,845,738,977 |
| Grants | 35,802,757 | 36,113,513 |
| Capital Expenditures | 119,496,200 | 21,423,791 |
| **Total, Object-of-Expense Informational Listing** | $ 4,859,039,887 | $ 4,529,615,925 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Acquisition of Information Resource Technologies | | |
| (1) Texas Integrated Eligibility Redesign System | $ 84,150,277 | $ UB |
| (2) TIERS Bond Purchases | 17,014,925 | UB |
| (3) Infrastructure Maintenance | 1,566,130 | 2,594,559 |
| Total, Acquisition of Information Resource Technologies | $ 102,731,332 | $ 2,594,559 |
| b. Acquisition of Capital Equipment and Items | | |
| (1) Debt Service for Revenue Bonds | 1,787,203 | 2,399,551 & UB |
| c. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | |
| (1) MLPP Payments for 2000-2005 Purchases | 9,545,061 | 10,791,360 |
| Total, Capital Budget | $ 114,063,596 | $ 15,785,470 |

| Method of Financing (Capital Budget): | | |
|---|---|---|
| General Revenue Fund | $ 2,927,128 | $ 909,090 |
| Federal Funds | 56,326,420 | 3,436,840 |
| GR Match for Medicaid | 22,736,625 | 6,648,741 |
| GR MOE for Temporary Assistance for Needy Families | 10,140 | 9,985 |
| Bond Proceeds - Revenue Bonds | 17,014,925 | 0 |
| Other Funds | 17,373 | 18,657 |
| GR Match for Food Stamp Administration | 15,030,985 | 4,762,157 |
| Total, Method of Financing | $ 114,063,596 | $ 15,785,470 |

2. **Medical Assistance Payments.** General revenue funds appropriated herein above for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004–05 biennium.

3. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Department of Human Services is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Department of Human Services and the responsible federal agency, and such other activities as come under the authority of the Department of Human Services, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

4. **Federal, State and Local Funds Appropriated.** The Department of Human Services is hereby authorized to accept all moneys appropriated by the federal or state governments, or by the Commissioners' Court of any county, or by any political subdivisions, as provided by Human Resources Code § 11.003, as amended, for any purpose including but not limited to the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto for the distribution of commodities as they now read or as they may be hereafter amended, and to deposit said moneys in the State Treasury. All of said funds are hereby appropriated to the Department of Human Services for the purposes for which they were granted.

5. **Appropriation of Federal and Local Funds.** All funds received by the department from counties, cities, federal agencies and from any other local source and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act.

6. **Food Stamp Program Funds Appropriated.** The Department of Human Services is hereby designated as the state agency to establish and operate a statewide Food Stamp Program and to accept all moneys appropriated for this purpose by the federal or state governments, by the Commissioners' Court of any county, by any political subdivisions of the state, or received from any other source as provided for herein and in Chapter 33, Human Resources Code. The Department of Human Services is authorized to expend such funds for welfare purposes, including the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto, for the establishment and operation of a statewide Food Stamp Program, and for the employment of essential personnel who shall be employed under a merit system basis comparable to the merit principles or standards applicable to all other personnel of the department.

7. **Nursing Home Program Provisions.**

   a. Nursing Home Income Eligibility Cap. It is the intent of the Legislature that the income eligibility cap for nursing home care shall be maintained at the federal maximum level of 300 percent of Supplemental Security Income (SSI). Further, it is the intent of the Legislature that any cost-of-living increase in social security or other benefits sponsored by the federal government or that any increase in other pension plans should not result in the termination of Title XIX benefits for persons already eligible for services. The Department of Human Services is hereby authorized to expend general revenue funds to the extent necessary to ensure the continuation of benefits to persons eligible.

   b. Limitation of Per Day Cost of Alternate Care.

      (1) Subject to the exception in (2), no funds shall be expended by the Department of Human Services for alternate care where the cost per patient per day exceeds the average Medicaid Nursing Facility rate or the patient's nursing facility rate, whichever is greater, except for cases individually exempted by the Board of Human Services or by the Commissioner of Human Services.

      (2) The department may not disallow or jeopardize community services for individuals currently receiving services under Medicaid waivers if those services are required for that individual to live in the most integrated setting and the exemption complies with the federal Centers for Medicare and Medicaid Service cost-effectiveness requirements.

c. Establishment of a Swing-bed Program. Out of the funds appropriated above for nursing home vendor payments, the department shall maintain a "swing-bed" program, in accordance with federal regulations, to provide reimbursement for skilled nursing patients who are served in hospital settings in counties with a population of 100,000 or less. If the swing beds are used for more than one 30-day length of stay per year per patient, the hospital must comply with the regulations and standards required for nursing home facilities.

d. Nursing Home Bed Capacity Planning. It is the intent of the Legislature that the department shall establish by rule procedures for controlling the number of Medicaid beds and for the decertification of unused Medicaid beds and for reallocating some or all of the decertified Medicaid beds. The procedures shall take into account a facility's occupancy rate.

e. Nursing Facility Competition. It is the intent of the Legislature that the department encourage competition among contracted nursing facilities.

8. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the General Revenue Funds appropriated above is $2,660,000 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.021. Any amounts above $2,660,000 are hereby appropriated to the department in amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

9. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the Nursing Facility Administrator program in Strategy A.2.2, Long Term Care Credentialing and Home Health and Community Support Service Agencies program in Strategy A.2.3, Home and Community Support Services Licensing as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. Direct costs for the Nursing Facility Administrator program are estimated to be $248,766 for fiscal year 2004 and $248,766 for fiscal year 2005. Direct costs for the Home and Community Support Services Licensing program are estimated to be $1,867,073 for fiscal year 2004 and $1,870,615 for fiscal year 2005. "Other direct and indirect costs" for the Nursing Facility Administrator program are estimated to be $82,244 for fiscal year 2004 and $83,827 for fiscal year 2005. "Other direct and indirect costs" for the Home and Community Support Services Licensing program are estimated to be $424,676 for fiscal year 2004 and $434,363 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

10. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Human Services is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include, but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

11. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from the Department of Human Services Fund No. 117. The initial deposit of federal funds shall be made into Fund No. 117 and no direct expenditures shall be made from this fund.

12. **Pediatric Care in Nursing Facilities.** In determining the appropriate placement for children who currently receive care in nursing facilities, the department shall, within the requirements of federal law, consider the requests of parents concerning either a continued stay in a nursing facility providing skilled pediatric care or an alternate placement.

13. **Limitation: Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Department of Human Services for

    a. A.1.1. Community Care Entitlement;
    b. A.1.2. Community Care - Waivers;
    c. A.1.4. LTC Eligibility & Service Planning;
    d. A.1.5. Nursing Facility & Hospice Payments;
    e. A.1.6. Integrated Managed Care Systems;
    f. A.2.1. Long-Term Care Facility Regulation; and
    g. B.1.2. CSS Eligibility & Issuance Services.

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

14. **Additional Funding Sources, Medicaid.** Notwithstanding any other provisions of this Act, if the appropriations provided for

    a. A.1.1. Community Care Services;
    b. A.1.2. Community Care - Waivers;
    c. A.1.4. LTC Eligibility & Service Planning;
    d. A.1.5. Nursing Facility & Hospice Payments;
    e. A.1.6. Integrated Managed Care Systems;
    f. A.2.1. Long-Term Care Facility Regulation; and
    g. B.1.2. CSS Eligibility & Issuance Services.

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

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

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

        (1) the department submits to the Legislative Budget Board and the Governor a copy of each report or petition submitted to the federal government relating to Medicaid, Temporary Assistance for Needy Families, and other programs. This shall include, but is not limited to:

            (i) expenditure data;
            (ii) caseload data;
            (iii) revenue generation;

(iv) cost allocation revisions;
(v) state plan amendments; and
(vi) state plan waivers, including, but not limited to, applications for new waivers or changes to existing waiver services, costs, or authorized number of clients.

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

(2) the department submits to the Legislative Budget Board and the Governor at the close of each month a report detailing Medicaid, TANF, and other program caseload figures and related expenditure amounts for the preceding 36 months, and projecting the anticipated Medicaid and other program caseloads, related expenditure amounts, and full-time equivalent requirements for the 36 month period beginning with the first month after the report is due. The report shall be prepared in a format specified by the Legislative Budget Board.

b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting material as specified by the Legislative Budget Board and the Governor.

c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon information and belief together with supporting documentation.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Human Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Human Services is not in compliance with this provision.

e. The department shall submit to the Legislative Budget Board and the Governor a monthly report on expenditures and encumbrances of the agency by strategy. The report shall include, but is not limited to expenditures and methods of finance, number of full-time equivalent positions, both state/federal and local/federal, Earned Federal Funds, and capital budget.

16. **Earned Federal Funds.**

a. The Department of Human Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.

b. The authority to receive and expend earned federal funds generated in the 2004–05 biennium in excess of those appropriated above is subject to the following limitations:

(1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Human Services to budget any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and

provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.

(2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.

(3) The report shall include the information detailed in "2" and identify the impact on established performance targets, measures, and full-time equivalent positions. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2003, and receipts earned in fiscal years 2004 and 2005.

17. **Child Support Supplemental Payments.** Out of the funds appropriated above in Strategy B.1.1, TANF Grants, and child support collections from the Child Support Trust Fund, the department shall make supplemental payments to families receiving welfare who would be eligible to receive child support "pass through" and "first excess" payments under the Social Security Act Title IV-D child support distribution requirements prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These payments shall equal the amount of the "pass through" and "first excess" payment the family would have received under prior law. Child support collections shall comprise a portion of each total payment. The portion of the total payment funded with child support collections shall equal the state share of the Federal Medical Assistance Percentage (FMAP) for the fiscal year. If child support "pass through" or "first excess" payment distribution requirements are modified by federal law after enactment of this provision, the department, in cooperation with the Office of the Attorney General, shall adjust the supplemental payments as necessary to be consistent with federal law and to not exceed the total the family would have received prior to welfare reform. The department shall report any change to child support supplemental payments to the Governor and Legislative Budget Board.

18. **Temporary Emergency Assistance for Families At-Risk of Welfare Dependency.** Out of funds appropriated above in Strategy B.1.1, TANF Grants, the department shall provide a one-time emergency assistance payment to applicants for Temporary Assistance for Needy Families (TANF) who are likely to be employed within a short period of time, without referral to the Choices program.

19. **Revolving Account for the Consolidated Health and Human Services Print Shop.** It is the intent of the Legislature that the Department of Human Services establish and maintain the "Revolving Account for the Consolidated Health and Human Services Print Shop" to account for the expenditures, revenues, and balances of managing a full-cost recovery Consolidated Print Shop. The expenditures, revenues, and balances included above for this operation shall be maintained separately by the Department of Human Services within its accounting system. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. For the purpose of meeting cash flow needs, the Department of Human Services may temporarily transfer funds from Strategy D.1.3, Other Support Services, to the revolving account. Transfers must be returned by the end of the fiscal year.

20. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Human Services may transfer appropriations made for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:

a. Transfers under this section may be made only:

(1) If costs associated with providing Long Term Care Medicaid services exceed the funds appropriated for these services for fiscal year 2004, or

(2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.

b. Transfers may not exceed $50,000,000 in general revenue.

c. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.

d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

21. **Enhanced Federal Funding and High Performance Bonus for Administration of the Food Stamp Program.** Enhanced federal funding is defined as funding from the federal government which exceeds the normal federal contribution toward administrative costs. High Performance Bonuses are annual incentive payments to state agencies that meet standards for high or most improved performance established by the Secretary of the U.S. Department of Agriculture. The authority to expend enhanced federal funding for administrative costs paid in a prior fiscal year is subject to the following conditions:

a. Within 30 days of receiving notice of the state's eligibility for enhanced federal funding or a performance bonus, the Department of Human Services shall notify the Legislative Budget Board and the Governor;

b. At least 14 days prior to any meeting of the Board of Human Services to budget enhanced federal funds or a performance bonus, the Department of Human Services shall provide documentation of the proposed use of these funds to the Legislative Budget Board, the Governor, and Health and Human Services Commission. The report shall identify the impact on established performance targets, measures, and full-time equivalent positions, and shall be prepared in a format specified by the Legislative Budget Board.

c. In the event that the state receives enhanced federal funds or a performance bonus, the Department of Human Services is appropriated all funds received by the agency subject to all limitations in this rider and to the following:

(1) a portion of these funds, $5.0 million for the biennium, shall be used by the Department of Human Services to provide bonuses to position classifications whose efforts directly contributed to meeting these performance standards, or to position classifications who meet or exceed customer service performance standards developed by the department, or whose efforts directly contributed to increasing the percentage of eligible persons who receive Food Stamps.

d. Before an employee can be eligible for a bonus, the employee must have been employed in the program for the related twelve months, remains employed in the program, and whose performance meets expectations.

e. Bonuses given to employees will not affect their eligibility for a merit salary increase or a promotion.

22. **Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $27,000 per fiscal year, is limited to the following advisory committees:

    a. Nursing Facility Administrators Advisory Committee
    b. Aged and Disabled Advisory Committee
    c. Client Self-support Services Advisory Committee
    d. Personal Care Facility Advisory Committee
    e. Home and Community Support Services Advisory Committee
    f. Long-term Care Legislative Oversight Committee

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

23. **Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above for TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, $118,101,619 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2004, and $116,728,817 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2005. None of the general revenue appropriated for TANF maintenance of effort in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy B.1.2, CSS Eligibility and Issuance Services, subject to the following limitations:

    a. Declines or shifts in TANF caseloads prevent the Department of Human Services from expending all general revenue appropriated for TANF maintenance of effort in Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, within the appropriate fiscal year;

    b. The amount of general revenue transferred from Strategy B.1.1, TANF Grants, shall be expended within Strategy B.1.2, CSS Eligibility and Issuance Services, for TANF program operating costs (object of expense 2000), within the appropriate fiscal year; and

    c. At least 14 days prior to transferring general revenue funds between Strategy B.1.1, TANF Grants and Strategy B.1.2, CSS Eligibility and Issuance Services, the Department of Human Services shall notify the Legislative Budget Board and the Governor.

24. **Earned Income Disregard.** It is the intent of the Legislature that out of amounts appropriated above to Strategy B.1.1, TANF Grants, the Department of Human Services is to maintain the earned income disregard for working TANF families. When determining eligibility and benefits, the department shall exclude $120 of earnings and 90 percent of the remaining earnings for each of the first four months of employment by a recipient. After the first four months of employment, the department shall exclude $120 of a recipient's earnings each month.

25. **Survey of Nursing Facility Residents.** Out of funds appropriated above in Strategy A.1.5, Nursing Facility and Hospice Payments, the Department of Human Services is allocated

a. Up to $360,000 in all funds, of which up to $180,000 is general revenue, in fiscal year 2004 to conduct a survey of nursing facility residents. The survey shall assess how satisfied residents are with their quality of care and quality of life. Not later than January 15, 2005, the department shall submit a written report on the survey to the Legislature, Governor, and Health and Human Services Commissioner;

b. Up to $1,000,000 in all funds, of which up to $500,000 is general revenue, to perform on-site case reviews of nursing home resident care in specific quality areas. Using measurement tools developed in the Quality Improvement pilot, these reviews will identify preventable occurrences of adverse outcomes. The result of these reviews will be included in the report to the Legislature, Governor and Health and Human Services Commissioner described in (a) above.

26. **TANF Grants.** It is the intent of the Legislature that the department adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level and provide a one-time per year grant of $30 for each TANF child on August 1 of each year.

27. **Full-Time-Equivalent Positions (FTE)–Local and Federal Funds.** Only local funds (appropriated receipts) and federal funds may be used to pay salaries, benefits or related costs for the Number of Full-Time-Equivalent Positions (FTE)–Local and Federal Funds, identified above. The following are included within this cap: 583 worker FTE positions in Strategy B.1.2, CSS Eligibility and Issuance Services, 126 FTE positions in Strategy B.1.3, Nutrition Assistance, 25 FTE positions in Strategy B.1.4, Refugee Assistance, and 16 FTE positions in A.1.4, LTC–Eligibility and Service Planning. The Department of Human Services may utilize the FTE authority contained in the Number of Full-Time-Equivalent Positions (FTE)–Local and Federal Funds only to the extent that local and federal funds are readily available. Under no circumstances may unfilled FTE positions from the Number of Full-Time-Equivalent Positions (FTE)–Local and Federal Funds be transferred to the Number of Full-Time-Equivalent Positions (FTE)–State and Federal Funds.

28. **Promoting Independence.** It is the intent of the legislature that as clients relocate from nursing facilities to community care services, funds will be transferred from Nursing Facilities to Community Care Services to cover the cost of the shift in services.

29. **Nursing Facility Beds for Medicaid Eligible Veterans.** Contingent upon a request from the Texas Veterans Land Board, it is the intent of the legislature that the Department of Human Services maintain a program for Medicaid-eligible veterans that will enable those individuals to be placed in State Veterans Homes. It is further the intent of the legislature that the department amend its nursing facility bed allocation rules to create sufficient certified beds to accommodate the requirements of such a program.

30. **TANF Separate State Program.** It is the intent of the Legislature that out of amounts appropriated in Strategy B.1.1, TANF Grants, the department shall use funds other than TANF federal funds to provide assistance to two-parent families, and may use funds other than TANF federal funds to provide assistance to families residing in minimum service counties.

31. **Motor Vehicle Allowance for Certain Recipients.** It is the intent of the Legislature that the Board of the Department of Human Services shall determine the vehicle limit amount in determining eligibility for services. The vehicle limit amount shall be established within available appropriations and at a level which will provide adequate, dependable transportation for clients.

32. **Outstationed Eligibility Workers.** It is the intent of the Legislature that the department notify hospitals, clinics, and other appropriate entities about the availability of outstationed eligibility workers funded only by local and federal funds.

33. **Texas Integrated Eligibility Redesign Systems (TIERS).** Out of funds appropriated above in fiscal years 2004-05 in Strategy B.1.2, CSS Eligibility and Issuance Services, the Department of Human Services is allocated (for the biennium) $50,367,343 in General Revenue, $55,836,840 in Federal Funds, and $17,014,925 in Revenue Bond Proceeds, totaling $123,219,108 in All Funds. The department shall make quarterly reports to the Legislative Budget Board and the Governor on the TIERS project as well as quarterly budgeted amounts, actual expenditures, and the status of contracted services, as well as any other information requested. All contracts relating to this project shall include performance measures.

    To fund the plan, the department may seek funding from the most cost-effective type of financing, including but not limited to cash acquisition, commercial financing, and financing provided by the Texas Public Finance Authority. The Texas Public Finance Authority may issue revenue bonds or other debt obligations to finance the design, development, acquisition, and implementation of automated data processing systems to support the plan. As provided by Government Code, Chapter 1232, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the authority and debt issuing expenses, the principal amount of any issuance of debt for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or debt obligations, such amounts as may be necessary to fund the associated costs of issuances are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 2003. From any funds appropriated to the Department of Human Services for the purpose of implementing the project, an amount not to exceed $4,186,754 (amounts needed for debt service) for the biennium in all funds may be transferred to the Texas Public Finance Authority for lease payments to the Texas Public Finance Authority to pay debt service on the obligations issued by the Texas Public Finance Authority on behalf of the department for the above-mentioned project.

34. **Expenditure Limitations.** Out of the funds appropriated in this Act to the Department of Human Service for Strategy A.1.5, Nursing Facility and Hospice Payments, the General Revenue amount of $20.0 million for each fiscal year of the biennium may only be expended to improve the quality of care in nursing homes. In determining improvement of quality of care, the Commissioner of Human Services shall utilize rules established in TAC Part 15, Chapter 355, Subchapter C, Rule 355.308. The Commissioner may only expend funds subject to this provision after promulgation of rules and standards to improve the quality of nursing facility care in accordance with those standards and upon distribution of such rules and standards to each member of the Legislature.

35. **Program of All-Inclusive Care for the Elderly (PACE).** It is the intent of the Legislature that if the Department of Human Services expands PACE to one or more additional sites around the state, one of the expansion sites be a county with a public hospital that is affiliated with a medical school.

36. **Centers of Excellence.** It is the intent of the Legislature that out of amounts appropriated above to Strategy A.2.1, Long-term Care Facility Regulation and funds obtained through a grant from a national foundation, the Department of Human Services shall allocate funds for a Centers for Excellence program. The department shall partner with an institution of higher education to promote positive outcomes for the residents of Long Term Care facilities, identify

best practices and improve service delivery. Not later than January 15, 2005, the department shall submit to the Legislature and the Governor a report which identifies progress made towards achieving these goals.

37. **Payment of August 2005 Nursing Home Payment.** Funds appropriated above include a reduction of $142,500,000 in All Funds, including $56,686,500 in General Revenue Match for Medicaid in Strategy A.1.5, Nursing Facility and Hospice Payments, for the August, 2005 nursing home payment. The Department of Human Services is authorized to defer payment of the August 2005 payment until September of 2005.

## DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMMUNITY MENTAL HEALTH SERVICES<br>Increase the abilities of persons with mental illness to lead successful lives in their communities. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Adults Receiving MH Community Services Whose Functional Level Stabilized or Improved | 80% | 80% |
| Percent of Parents Who Are Satisfied with MH Services Delivered to Their Children | 70% | 70% |
| **A.1.1. Strategy:** ADULT MH COMMUNITY SERVICES<br>Provide services and supports in the community so persons with mental illness can live independently. | $ 272,884,734 | $ 257,287,809 |
| **Output (Volume):** | | |
| Average Monthly Number of MH Consumers Receiving Community Services | 61,459 | 61,459 |
| Average Monthly Number of MH Consumers Receiving Supported Housing Services | 2,861 | 2,861 |
| Average Monthly Number of MH Consumers Receiving Assessment and Service Coordination | 34,690 | 34,716 |
| **Efficiencies:** | | |
| Average Monthly Cost Per MH Consumer Receiving Community Services | 367 | 367 |
| Average Monthly Cost Per Adult MH Consumer Receiving Supported Housing | 414 | 414 |
| **A.1.2. Strategy:** CHILDREN'S MH COMMUNITY SERVICES<br>Provide services and supports for emotionally disturbed children and their families. | $ 59,837,551 | $ 56,633,194 |
| **Output (Volume):** | | |
| Average Monthly Number of Children Receiving MH Services in the Community | 11,508 | 11,507 |
| **A.1.3. Strategy:** MH COMMUNITY HOSPITALS<br>Provide inpatient and outpatient treatment, crisis assessment, and medical services to adults and children served in community hospitals. | $ 20,185,960 | $ 18,585,960 |
| **Output (Volume):** | | |
| Average Daily Number of Occupied Community Hospital Beds | 168 | 168 |
| **Efficiencies:** | | |
| Average Daily Cost Per Occupied Community Hospital Bed | 330 | 330 |

| | | | | |
|---|---|---|---|---|
| **A.1.4. Strategy:** NORTHSTAR BEHAVIORAL HEALTH WAIVER | $ | 89,517,765 | $ | 90,491,205 |
| Provide mental health and substance abuse inpatient and outpatient services using a managed care model for adults and children. | | | | |
| **Output (Volume):** | | | | |
| Average Monthly Number of Persons Covered by NorthSTAR Behavioral Health Services Waiver | | 1,241,374 | | 1,259,619 |
| **Total, Goal A:** COMMUNITY MENTAL HEALTH SERVICES | $ | 442,426,010 | $ | 422,998,168 |
| **B. Goal:** MH SPECIALIZED SERVICES | | | | |
| Promote the recovery and abilities of persons with mental illness who require specialized treatment not available in community settings. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Consumers Receiving MH Campus Services Whose Functional Level Stabilized or Improved | | 98% | | 98% |
| **B.1.1. Strategy:** MH STATE HOSPITAL SERVICES | $ | 274,962,817 | $ | 274,064,189 |
| Provide specialized assessment, treatment and medical services in state mental health facility programs. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Census of State Mental Health Facilities | | 2,295 | | 2,295 |
| Average Monthly Number of State Mental Health Facility Consumers Receiving New Generation Medication Services | | 2,821 | | 2,829 |
| **Efficiencies:** | | | | |
| Average Daily Facility Cost Per Occupied State Mental Health Facility Bed | | 328 | | 327 |
| Average Monthly Cost of New Generation Medications Per State Mental Health Facility Consumer Receiving New Generation Medication Services | | 303 | | 303 |
| **C. Goal:** COMMUNITY MR SERVICES | | | | |
| Support the abilities of persons with mental retardation to lead successful lives in their communities. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Number of Consumers with MR Who Moved from Campus to Community | | 120 | | 120 |
| Percent of Medicaid Waiver Placements Filled | | 97% | | 97% |
| **C.1.1. Strategy:** MR COMMUNITY SERVICES | $ | 172,324,138 | $ | 160,112,484 |
| Provide services and supports for persons with mental retardation who reside in the community. | | | | |
| **Output (Volume):** | | | | |
| Average Monthly Number of Consumers with MR Receiving Community Services | | 15,351 | | 15,350 |
| Average Monthly Number of Consumers with MR Receiving Assessment and Service Coordination | | 14,248 | | 14,248 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Consumer with MR Receiving Assessment and Service Coordination | | 279 | | 278 |
| **C.1.2. Strategy:** MR MEDICAID WAIVER SERVICES | $ | 295,661,213 | $ | 263,056,945 |
| Provide residential services and supports for persons with mental retardation through Medicaid waiver programs for home and community-based services. | | | | |
| **Output (Volume):** | | | | |
| Average Monthly Number of Consumers Receiving Medicaid Waiver Services (MR) | | 6,823 | | 6,823 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Consumer Receiving Medicaid Waiver Services (MR) | | 3,430 | | 3,031 |

| | | | | |
|---|---|---|---|---|
| **C.1.3. Strategy:** MR INTERMEDIATE CARE FACILITIES | $ | 381,558,282 | $ | 381,294,550 |
| Provide residential services and supports for persons with mental retardation living in intermediate care facilities (ICFs/MR). | | | | |
| **Output (Volume):** | | | | |
| Average Number of Persons in ICF/MR Medicaid Beds per Month, Total | | 7,471 | | 7,471 |
| **Efficiencies:** | | | | |
| Monthly Cost Per ICF/MR Medicaid Eligible Consumer, Total | | 4,223 | | 4,214 |
| **C.1.4. Strategy:** MR COMMUNITY RESIDENTIAL SERVICES | $ | 4,818,610 | $ | 4,418,610 |
| Provide non-Medicaid residential services and supports for persons with mental retardation living in the community. | | | | |
| **Output (Volume):** | | | | |
| Average Monthly Number of Non-Medicaid Consumers with MR Receiving Community Residential Services | | 122 | | 122 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per Non-Medicaid Consumer with MR Receiving Community Residential Services | | 3,017 | | 3,017 |
| **Total, Goal C:** COMMUNITY MR SERVICES | $ | 854,362,243 | $ | 808,882,589 |
| **D. Goal:** MR SPECIALIZED SERVICES | | | | |
| Promote the well being and abilities of persons with mental retardation who require the most intensive, specialized long-term care. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Average Number of Days MR Campus Residents Recommended for Community Placement Wait for Placement | | 180 | | 180 |
| **D.1.1. Strategy:** MR STATE SCHOOL SERVICES | $ | 392,548,174 | $ | 388,909,489 |
| Provide specialized assessment, treatment, support, and medical services in state school and state center programs for persons with mental retardation. | | | | |
| **Output (Volume):** | | | | |
| Average Monthly Number of MR Campus Residents | | 4,963 | | 4,922 |
| Average Monthly Number of Consumers with MR Waiting for Admission to Any State School Campus (Application Completed) | | 35 | | 25 |
| Average Monthly Number of Consumers with MR Waiting for Admission to a Specific State School Campus (Application Completed) | | 10 | | 5 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per MR Campus Resident | | 6,591 | | 6,584 |
| Average Number of Days Consumers with MR Wait for Admission to Any State School Campus (Application Completed) | | 75 | | 45 |
| Average Number of Days Consumers with MR Wait for Admission to a Specific State School Campus (Application Completed) | | 90 | | 60 |
| **E. Goal:** IMPROVE SYSTEM QUALITY | | | | |
| Efficiently manage and improve the assets and infrastructure of state facilities. | | | | |
| **E.1.1. Strategy:** CAPITAL CONSTRUCTION | $ | 40,400,000 | $ | 50,200,000 |
| Construct and renovate facilities for the delivery of care in state facilities. | | | | |
| **F. Goal:** INDIRECT ADMINISTRATION | | | | |
| Assure the efficiency, quality, and effective administration of services provided to persons with mental illness and mental retardation. | | | | |

## DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **F.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 21,697,420 | $ | 21,697,419 |
| **F.1.2. Strategy:** INFORMATION RESOURCES | $ | 6,096,444 | $ | 5,996,443 |
| **Total, Goal F:** INDIRECT ADMINISTRATION | $ | 27,793,864 | $ | 27,693,862 |
| **Grand Total,** DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION | $ | 2,032,493,108 | $ | 1,972,748,297 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 397,818,351 | $ | 385,559,814 |
| GR Match for Medicaid | | 250,230,380 | | 236,908,341 |
| GR for Mental Health Block Grant | | 236,980,700 | | 216,483,649 |
| GR Certified as Match for Medicaid | | 182,075,032 | | 180,612,653 |
| Earned Federal Funds | | 5,698,877 | | 4,881,599 |
| Subtotal, General Revenue Fund | $ | 1,072,803,340 | $ | 1,024,446,056 |
| General Revenue Fund - Dedicated | | | | |
| GR Dedicated - Quality Assurance Account No. 5080 | | 47,916,224 | | 47,909,502 |
| GR Dedicated - Texas Capital Trust Fund Account No. 543 | | 2,929,924 | | 2,929,926 |
| Subtotal, General Revenue Fund - Dedicated | $ | 50,846,148 | $ | 50,839,428 |
| Federal Funds | | 793,358,865 | | 773,465,133 |
| Other Funds | | | | |
| Interagency Contracts | | 22,352,934 | | 22,676,426 |
| Bond Proceeds - General Obligation Bonds | | 40,200,000 | | 50,000,000 |
| MHMR Collections for Patient Support and Maintenance | | 24,864,763 | | 24,854,625 |
| MHMR Appropriated Receipts | | 7,667,645 | | 7,667,209 |
| MHMR Medicare Receipts | | 14,290,744 | | 14,290,120 |
| MHMR Revolving Fund Receipts | | 6,108,669 | | 4,509,300 |
| Subtotal, Other Funds | $ | 115,484,755 | $ | 123,997,680 |
| **Total, Method of Financing** | $ | 2,032,493,108 | $ | 1,972,748,297 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 19,495.0 | | 19,504.6 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 6 | | $140,000 | | $140,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 489,507,732 | $ | 489,873,056 |
| Other Personnel Costs | | 29,982,370 | | 28,739,091 |
| Professional Fees and Services | | 29,896,631 | | 27,585,551 |
| Fuels and Lubricants | | 921,364 | | 862,602 |
| Consumable Supplies | | 7,470,013 | | 6,969,529 |
| Utilities | | 24,861,838 | | 24,966,900 |
| Travel | | 1,846,844 | | 1,775,673 |
| Rent - Building | | 606,332 | | 585,527 |
| Rent - Machine and Other | | 2,829,197 | | 2,643,038 |
| Other Operating Expense | | 136,994,940 | | 150,444,698 |
| Client Services | | 836,628,481 | | 801,628,653 |

| | | | | |
|---|---|---|---|---|
| Food for Persons - Wards of State | | 10,815,853 | | 10,350,892 |
| Grants | | 451,619,831 | | 421,550,184 |
| Capital Expenditures | | 8,511,682 | | 4,772,903 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,032,493,108 | $ | 1,972,748,297 |

**LIMITATIONS ON EXPENDITURES**

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | | | |
| (1) Construction of Buildings and Facilities | $ | 2,344,050 | $ | 0 |
| (2) Life Safety Code and Other Critical Repairs | | 38,055,950 | | 50,200,000 |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ | 40,400,000 | $ | 50,200,000 |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Pharmacy System Replacement | | 684,833 | | 0 |
| (2) Phone System Replacement | | 939,513 | | 939,514 |
| Total, Acquisition of Information Resource Technologies | $ | 1,624,346 | $ | 939,514 |
| c. Acquisition of Capital Equipment and Items | | | | |
| (1) Acquisition of Capital Equipment and Items at State Facilities | | 1,790,411 | | 1,790,412 |
| d. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Lease Payments to Master Lease Program - MLLP Acquisitions (1992-1995) | | 1,675,300 | | 435,520 |
| Total, Capital Budget | $ | 45,490,057 | $ | 53,365,446 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 2,223,333 | $ | 435,520 |
| GR Dedicated - Texas Capital Trust Fund Account No. 543 | | 2,929,924 | | 2,929,926 |
| Federal Funds | | 81,957 | | 0 |
| Bond Proceeds - General Obligation Bonds | | 40,200,000 | | 50,000,000 |
| GR Certified as Match for Medicaid | | 54,843 | | 0 |
| Total, Method of Financing | $ | 45,490,057 | $ | 53,365,446 |

2. **Limitation of Specific Strategy Transfers.** The transfer of appropriations from Strategy B.1.1, MH State Hospital Services, to any other strategy is limited to 10 percent and the transfer of appropriations from Strategy D.1.1, MR State School Services, to any other strategy is limited to 5 percent without the prior approval of the Legislative Budget Board and the Governor.

3. **Medicaid and Other Reporting Requirements.**
   a. None of the funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation may be expended or distributed by the department unless:

(1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program. This shall include, but is not limited to:

i. expenditure data;
ii. caseload data;
iii. interest earnings;
iv. State plan amendments; and
v. State plan waivers.

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

(2) the department submits to the Legislative Budget Board and the Governor at the end of each month: i.) a report detailing the Medicaid and Medicare caseload figures and related expenditure amounts for the preceding month; and ii.) a report projecting the anticipated Medicaid and Medicare caseloads for the 36 months period beginning with the first month after the report is due.

b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.

c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Mental Health and Mental Retardation is not in compliance with this provision.

## REVENUE CLASSIFICATION

4. **MHMR Collections for Patient Support and Maintenance.**

a. **Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Collections for Patient Support and Maintenance are defined as reimbursements received for health and other services provided to individuals in state hospitals, state operated community services, state operated intermediate care facilities for the mentally retarded (ICF-MR) and state schools from third party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the US Civil Service, Federal Railroad, State, Social Security, Teacher and Veteran's Administration.

b. **Classification for depositing revenues and reporting of expenditures.** For the purpose of revenue classification for depositing and expending certain collections related to the support and maintenance of patients, the following Revenue Object Codes as defined by the Comptroller of Public Accounts shall be used for recording collections, reporting expenditures, and requesting legislative appropriations by the Department of Mental Health and Mental Retardation:

(1) Revenue Object Codes 3595, 3606, 3614, and 3618 as defined by the Comptroller of Public Accounts shall be used to record collections and deposits from the above defined sources into the General Revenue Fund

i. 3595: Medical Assistance Cost Recovery
ii. 3606: Support and Maintenance of Patients
iii. 3614: Counseling, Care and Treatment of Outpatients
iv. 3618: Welfare/MHMR Service Fees (Child Support)

(2) Automated Budget and Evaluation System of Texas (ABEST) Method of Financing (MOF) Code 8031- MHMR Collections for Patient Support and Maintenance shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3595, 3606, 3614, and 3618.

c. **Appropriation authority and accounting for expenditures of MHMR Collections for Patient Support and Maintenance.** The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Collections for Patient Support and Maintenance as a first source, and general revenue shall be used as a second source, to support the state hospitals, state operated intermediate care facilities for the mentally retarded (ICF-MR), and state operated community services. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Collections for Patient Support and Maintenance, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Collections for Patient Support and Maintenance is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose;

(2) In the event general revenue has been expended prior to the receipt of MHMR Collections for Patient Support and Maintenance, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Collections for Patient Support and Maintenance; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts, and Governor on MHMR Collections for Patient Support and Maintenance, expenditures and anticipated revenues and balances.

d. **Responsibility for proportionate share of indirect costs and benefits.** The Department of Mental Health and Mental Retardation shall ensure that MHMR Collections for Patient Support and Maintenance fund their proportionate share of benefits and statewide allocated indirect costs as required and directed in Article IX of this act.

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

5. **Funds for the Medicaid Program.** For the purposes of this section and appropriation authority for the Medicaid Program responsibilities of the Department of Mental Health and Mental Retardation (TDMHMR), the following subsections provide governance relating to appropriate use, classification and expenditure of funds.

a. **General Revenue Match for Medicaid.** ABEST Method of Financing Code 758 - GR Match for Medicaid shall be used to report general revenue expenditures and request

general revenue appropriations for the state's share of Medicaid payments for the following Medicaid services:

(1) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are privately operated through contractual arrangements between private providers and the department;

(2) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are operated by the State/department;

(3) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided by state-operated community centers;

(4) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;

(5) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided by state-operated community centers;

(6) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;

(7) Mental Retardation Local Authority (MRLA) waiver services;

(8) MHMR Medicaid services provided through contracts with Behavioral Health Organizations as a component of the NorthSTAR Project; and

(9) Salaries and operating costs related to direct program administration and indirect administration of the department.

b. **General Revenue Certified as Match for Medicaid**. The Department of Mental Health and Mental Retardation shall use ABEST Method of Financing code 8032 - General Revenue Certified Match for Medicaid to identify general revenue funds requested and reported as expended for the purpose of drawing federal funds and to document that State funds have been spent for Medicaid services and administrative expenditures for the following services:

(1) Intermediate care facilities for the mentally retarded that are operated by the State and known as "state schools";

(2) Services delivered in hospitals operated by the Department of Mental Health and Mental Retardation including inpatient services for clients under the age of 21 and services that qualify under the federally approved Institutions for Mental Diseases (IMD) option for clients over the age of 65;

(3) Rehabilitation Services as approved in the State Medicaid Plan which are provided by Mental Health Authorities and Mental Retardation Authorities;

(4) Service Coordination Services as approved in the State Medicaid Plan provided by Mental Health Authorities and Mental Retardation Authorities; and

(5) Medicaid Administrative Claims as approved in the State Medicaid Plan which are based on certain activities of Mental Health Authorities and Mental Retardation Authorities.

c. **Reporting requirements related to General Revenue Matching Funds for the Medicaid Program.** The Department of Mental Health and Mental Retardation shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the expenditures of General Revenue for Medicaid federal matching purposes by the method of financing codes identified above and the amounts of local, non-profit expenditures certified as state match for Medicaid federal funds by the department for services provided by Mental Health Authorities and Mental Retardation Authorities.

d. **Medicaid Federal Funds.** The Department of Mental Health and Mental Retardation shall report its expenditures and request legislative appropriations for federal Medicaid matching funds for client services, program administration and agency indirect administration. Automated Budgeting and Evaluation System of Texas (ABEST) Method Financing Code (MOF) 555 and Medicaid CFDA 93.778 shall be used for the following:

(1) Federal funds drawn from the US Centers for Medicare and Medicaid Services (CMS) using general revenue funds classified as General Revenue Match for Medicaid (ABEST MOF Code 758), General Revenue Certified as Match for Medicaid (ABEST MOF Code 8032), Tobacco Settlement Receipts Match for Medicaid (ABEST MOF Code 8024) or Tobacco Receipts Certified as Match for Medicaid (ABEST MOF Code 8023);

(2) Federal funds drawn from CMS using the department's certification of local, non-profit expenditures made by the Mental Health Authorities and Mental Retardation Authorities on behalf of Medicaid-eligible individuals;

(3) Federal funds received from CMS for services rendered to certain Medicaid-eligible individuals over the age of 65 by federally recognized Institutions for Mental Diseases (IMD Medicaid option) based on billings from hospitals operated by the Department of Mental Health and Mental Retardation to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments; and

(4) Federal funds received from CMS for general Medicaid health services including the Comprehensive Care Program for children based on billings from the facilities operated by the Department of Mental Health and Mental Retardation to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments.

e. **Appropriation authority and accounting for Federal Funds for the Medicaid Program.** Amounts defined as Medicaid Federal Funds shall be used as a first source, and general revenue which was not used as matching funds shall not be used to fund Medicaid eligible services. In the event that these revenues should be greater than $753,255,344 in 2004 and $733,458,460 in 2005 as included above in Federal Funds, the department is hereby appropriated and authorized to expend these federal funds made available, subject to the following requirements:

(1) Amounts made available shall be expended prior to utilization of any general revenue made available for the same purpose;

(2) In the event general revenue has been expended prior to the receipt of Medicaid Federal Funds, the department shall reimburse general revenue upon receipt of the

revenue. This process shall be completed on a monthly basis in order to not have an excess balance of Medicaid Federal Funds; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the amounts of Medicaid Federal Funds drawn and expended.

f. **Responsibility for proportionate share of indirect costs and benefits**. Nothing in this provision shall exempt the department from provisions of Article IX of this Act which apply equally to direct recoveries of benefits and indirect costs and to amounts recovered through an approved rate structure for services provided. Specifically, the department does not have appropriation authority for Medicaid federal funds claimed on behalf of services provided by other agencies, including:

(1) health and retirement services for active and retired TDMHMR employees paid by the Employee Retirement System;

(2) Social Security payments, salary increases authorized in General Provisions, and Benefit Replacement Pay for TDMHMR employees paid by the Comptroller of Public Accounts;

(3) Debt service amounts paid on behalf of TDMHMR by the Texas Public Finance Authority; and

(4) Indirect cost allocation plans negotiated with CMS for the purposes of the State-wide Cost Allocation Plan (SWCAP).

g. **Exclusive Appropriation Authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Medicaid Federal Fund receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

6. **MHMR Appropriated Receipts.**

a. **Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Appropriated Receipts are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:

(1) 3628: Dormitory, Cafeteria, and Merchandise Sales
(2) 3719: Fees for Copies or Filing of Records
(3) 3738: Grants-Cities/Counties
(4) 3739: Grants-Other Political Subdivisions
(5) 3740: Grants/Donations-Operating/Capital Grants and Contributions
(6) 3750: Sale of Furniture & Equipment
(7) 3752: Sale of Publication/Advertising (General)
(8) 3754: Other Surplus/Salvaged Property/Material Sales
(9) 3767: Supplies/Equipment/Services/Federal/Other (General)
(10) 3769: Forfeitures
(11) 3773: Insurance & Damages
(12) 3802: Reimbursements-Third Party
(13) 3806: Rental of Housing to State Employees

b. **Reporting.** ABEST Method of Financing Code 8033 - MHMR Appropriated Receipts shall be used to report expenditures and request legislative appropriations from the Revenue Object Codes identified above.

c. **Appropriation authority and accounting for MHMR Appropriated Receipts.** Amounts defined as MHMR Appropriated Receipts shall be deposited into the General Revenue Fund according to the identified Revenue Object Codes above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Appropriated Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Appropriated Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Appropriated Receipts is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide prior notification to the Legislative Budget Board and the Governor;

(2) In the event general revenue has been expended prior to the receipt of MHMR Appropriated Receipts as defined above, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Appropriated Receipts; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Appropriated Receipts collections by Revenue Object Code, expenditures and anticipated revenues and balances.

d. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Appropriated Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

7. **Texas Capital Trust Fund Account No. 543.**

a. **Definition.** For the purposes of this section and appropriation authority, general revenue dedicated funds referred to as Texas Capital Trust Fund Account No. 543 (Chapter 2201, Government Code) are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:

(1) 3340: Land Easements
(2) 3341: Grazing Lease Rental
(3) 3344: Sand, Shell, Gravel and Timber Sales
(4) 3349: Land Sales
(5) 3746: Rental of Lands and Buildings
(6) 3747: Rental - Other
(7) 3851: Interest on State Deposits

b. **Appropriation authority and accounting for Texas Capital Trust Fund Account No. 543.** For the purpose of revenue classification for expending and depositing certain collections related to the Texas Capital Trust Fund Account No. 543, ABEST Method of Finance Code 543 shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3340, 3341, 3344, 3349, 3746, 3747, and 3851 by the department. Appropriations of the Texas Capital Trust Fund Account No. 543 are limited to the amounts identified above.

8. **MHMR Medicare Receipts.**

a. For the purposes of this section and appropriation authority, the Department of Mental Health and Mental Retardation shall use ABEST Method of Financing Code 8034 as an Other Fund to report expenditures and request legislative appropriations from Medicare funds deposited in Revenue Object Code 3634 that are collected by the department as payment for:

(1) hospital, physician and other services rendered to Medicare-eligible individuals in facilities operated by the department; and

(2) cost settlements for services rendered in state facilities operated by the department as authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

b. **Appropriation authority and accounting for MHMR Medicare Receipts.** Amounts defined as MHMR Medicare Receipts shall be deposited into the General Revenue Fund according to the identified Comptroller Revenue Object Code above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Medicare Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Medicare Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Medicare Receipts is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide notification to the Legislative Budget Board and the Governor;

(2) In the event general revenue has been expended prior to the receipt of MHMR Medicare Receipts as defined above, the department shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Medicare Receipts; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Medicare Receipts collections by Comptroller Revenue Object Code, expenditures and anticipated revenues and balances.

c. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for MHMR Medicare Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

## BUDGET POLICY AND APPROPRIATION MANAGEMENT

9. **Contingency Appropriation of Earned Federal Funds.**

a. Included in the method of financing above are Earned Federal Funds in the amount of $10,580,476 for the 2004–05 biennium, contingent upon the department earning and depositing funds generated which constitute Earned Federal Funds as defined elsewhere in this Act into the General Revenue Fund, Appropriation No. 70000 established by the Comptroller of Public Accounts for this purpose.

b. The Department of Mental Health and Mental Retardation shall submit a quarterly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and

balances for earned federal funds as of the last day of the prior quarter. The report shall be prepared in a format approved by the Legislative Budget Board.

c. The authority to receive and expend earned federal funds is subject to the following limitations:

(1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Mental Health and Mental Retardation to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.

(2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served, criteria for eligibility, and impact upon existing programs.

(3) The report shall include the information detailed in "c" and identify the impact on established performance targets, measures, and full-time equivalent positions.

10. **Community Hospital Medicaid Services.** The Harris County Psychiatric Center, Lubbock Community Hospital, and Galveston Community Hospital shall certify appropriated state funds to the Health and Human Services Commission or its designee for the state share of Medicaid reimbursement for the following services:

a. Inpatient psychiatric services for children.

b. Inpatient psychiatric services for age 65 and over (Institute for Mental Disease option).

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

11. **Mental Retardation Local Authority Waiver Program.** The department shall ensure the cost-effectiveness of the MRLA program by limiting the average annual MRLA expenditure per client to 80 percent of the average annual per client ICF-MR expenditure. Expenditures for individual clients may exceed this cap as long as the overall average expenditure for MRLA clients remains below 80 percent of the annual average. Furthermore, it is the intent of the Legislature that, in order to increase the number of clients served, the overall average monthly expenditure per client shall not exceed $3,464 per month in fiscal years 2004 and 2005. The Department of Mental Health and Mental Retardation and the Health and Human Services Commission shall report to the Legislative Budget Board and Governor by October 1of each year of the biennium, on the measures taken to decrease the average cost per person and to increase the number of clients served in the MRLA program.

12. **Residential Services Funded by General Revenue.** The Department of Mental Health and Mental Retardation shall refinance, with Medicaid funding, residential services to Medicaid-eligible clients that are currently funded with general revenue. This refinancing effort shall include both public and private general revenue-funded programs. The department shall accomplish this refinancing through the use of Medicaid waiver programs, or, if necessary, the

Intermediate Care Facility for the Mentally Retarded program. The department shall submit a report by October 1 of each year of the biennium to the Legislative Budget Board and the Governor that documents the number of persons and residential sites converted to Medicaid funding. The format of this report shall be prescribed by the Legislative Budget Board.

13. **Cash Flow Contingency.** Contingent upon the receipt of MHMR Medicare Receipts, MHMR Collections for Patient Support and Maintenance, and of federal funds allocated from the Medicaid Program, the department may temporarily utilize additional general revenue funds, pending receipt of reimbursement, in an amount not to exceed the anticipated reimbursement, in each year of the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the department to the Legislative Budget Board and the Governor.

14. **Enhanced Equity.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation or any agency charged with the task of administering services for persons with mental illness or mental retardation fitting the state's definition for priority population, shall distribute any funds, existing or appropriated for the purpose of providing such services in a manner that will allow all local authorities to be brought to the state average in per capita funding not later than September 1, 2009. The department shall develop and implement a plan that achieves equity in the distribution and funding of mental health services among communities in this state not later than September 1, 2009. When funds are not available to increase lower funded centers, any reduction in funds to a community will not exceed 5% of allocated general revenue in any fiscal year. The plan must address local and statewide changes in population and in the need for department services.

    The department shall evaluate its progress at enhancing equity in funding and provide an impact analysis of any change to the previous year's funding, by local authority, to the Legislative Budget Board and the Governor. This report shall be submitted by January 15 of each year of the biennium.

15. **State School Funding.** It is the intent of the Legislature that the department implement a single funding methodology for state schools which funds all state schools equitably and at a level which is adequate to maintain compliance with applicable federal standards. The methodology should be based on the number of residents in each school and the needs of those residents.

16. **Report on Local Authorities.** To ensure that the Legislature and Governor are kept informed of the effects of delegating to a local mental health authority or local mental retardation authority (local authority) the responsibility of planning, coordination, and oversight of mental health and/or mental retardation services in that area, the department shall submit a report by January 15 of each year to the Legislative Budget Board and the Governor. This report shall describe both beneficial and detrimental client outcomes and shall be presented in a format to be prescribed by the Legislative Budget Board.

17. **Community Mental Health and Mental Retardation Centers.** If the department determines that a community mental health and mental retardation center is unable or unwilling to fulfill its contractual obligations to provide services or to exercise adequate control over expenditures and assets, the department may take necessary steps, including the appointment of a management team as authorized by Health and Safety Code, §§ 534.038–534.040, to protect the funds appropriated under this Act and ensure the continued provision of services.

18. **Performance Contracts.** Funds in Strategy A.1.3, MH Community Hospitals, shall be allocated through performance contracts with local mental health authorities.

19. **Medicaid and Medicare Collections.** The Department of Mental Health and Mental Retardation shall maximize reimbursement of Medicare and Medicaid funding for all eligible individuals and for all expenditures at the state hospitals, state schools, and state centers.

20. **Use of Timber Receipts for Capital Projects.** The Department of Mental Health and Mental Retardation is hereby authorized to sell timber located on department land. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.

21. **Rusk State Hospital Timber Sales.** The Department of Mental Health and Mental Retardation is authorized to sell timber located on department land at Rusk State Hospital. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.

22. **Third Party Reimbursement for Community Mental Health and Mental Retardation Centers.** It is the intent of the Legislature that community mental health and mental retardation centers maximize third-party reimbursement from Medicaid and the Children's Health Insurance Program for all eligible individuals.

## BUDGET POLICY AND APPROPRIATION MANAGEMENT, FACILITY–RELATED

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

| | 2004 | 2005 |
|---|---|---|
| State Mental Hospitals | $ 246,525,883 | $ 246,525,883 |
| Harris County Psychiatric Center | 20,423,113 | 20,423,113 |
| | $ 266,948,996 | $ 266,948,996 |

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

24. **State School Funding and Staffing Levels.** It is the intent of the Legislature that funding for state schools shall be based on the number of residents in each state school at the beginning of the fiscal year and the needs of those residents. Staffing patterns at state schools shall not reflect a census decline until a campus has realized a decline in census.

25. **Barber and Cosmetology Services.** The Department of Mental Health and Mental Retardation may charge fees for barber and cosmetology services provided the fees charged are consistent with an individual's ability to pay. These fees are appropriated to the department to offset the cost of providing barber and cosmetology services. The department may also use patient benefit funds to offset the cost of these services for indigent clients.

26. **Surplus Property.** In order to conserve funds appropriated, surplus personal property may be transferred from one facility to another with or without reimbursement. The Department of Mental Health and Mental Retardation may transfer surplus personal property to community MHMR centers with or without reimbursement. Surplus personal property belonging to any

facility may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by Government Code, Chapter 2175.

27. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay development costs of construction projects, including salaries and travel expenses of department engineers, architects, related support staff, and other administrative expenses of construction projects (but shall not exceed $700,000 in a fiscal year that are paid out of G.O. Bonds); architect's and engineer's fees; and the actual travel expenses incurred by contracted architects and engineers or their representatives in making trips of inspection at the discretion of the department during construction, renovation, or repair of buildings and systems or the installation of fixed equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.

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

## EXPENDITURES SPECIFICALLY AUTHORIZED

29. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above not to exceed $75,000 per year, is limited to the following advisory committees:

    Mental Health Planning and Advisory Committee
    Public Responsibility Committees
    Citizen's Planning Advisory Committee
    Medical Advisory Committee
    Mental Retardation Planning and Advisory Committee
    Treatment Methods Advisory Committee
    Quality Services Council
    Quality Improvement Councils (NTE 1 per facility)
    Ethics Committees (NTE 1 per facility)
    Advisory Committee on Inpatient MH Services
    Local Authority Technical Advisory Committee

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

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

30. **Office For Prevention Of Developmental Disabilities.** The Department of Mental Health and Mental Retardation shall expend, from funds otherwise appropriated to the department by this Act, an amount not to exceed $105,600 each fiscal year for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities.

31. **Pilot Project for Persons with Developmental Disabilities**. The Department of Mental Health and Mental Retardation (TDMHMR) is required to continue a project in Midland County which identified and served 16 individuals who have required long-term care settings in the past

and/or are still in need of and eligible for placement in long-term Medicaid group homes. For purposes of continuing this project, TDMHMR shall expend, out of funds appropriated, for fiscal year 2004 and 2005, an amount sufficient to continue TDMHMR waiver program services to an individual participating in this project as long as that individual meets programmatic eligibility criteria. These 16 individuals, or their authorized representatives, were provided the opportunity to direct their own level of care, such that their service plans include only necessary and requested services. The original pilot was intended to demonstrate that provision of only necessary and requested services in a manner prescribed by persons with developmental disabilities will produce less dependent, more productive citizens in a most cost-efficient model.

32. **Mexia State School Medicaid-decertified Beds.** It is the intent of the Legislature that all funds appropriated in Strategy D.1.1, MR State School Services, to fund beds at Mexia State School that have been decertified from Medicaid and related costs shall be distributed to Mexia State School.

33. **Community Hospital Funding for Galveston Community Hospital.** Out of funds appropriated above, the Department of Mental Health and Mental Retardation shall allocate $400,000 in General Revenue for fiscal year 2004 and $400,000 in General Revenue for fiscal year 2005 for the Galveston Community Hospital, specifically for the purpose of providing outpatient medication services.

## ADDITIONAL APPROPRIATION AUTHORITY

34. **Appropriation of Local Funds.** All funds received by the department from counties, cities, and from any other local governmental entity and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act. (Estimated to be zero.)

35. **Medical Assistance Payments and Unexpended Balances.** General revenue funds appropriated hereinabove for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the department for the 2004–05 biennium.

36. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from previous appropriations, estimated to be $17,700,000 from fiscal year 2003 to fiscal year 2004 and included in the method of finance above as General Obligation Bond proceeds and in Strategy E.1.1, Capital Construction, are hereby appropriated to the Texas Department of Mental Health and Mental Retardation (TDMHMR) for the same purposes, provided that the expenditure of such appropriated funds shall require the approval of the Board of Mental Health and Mental Retardation. At least 14 days prior to board approval, TDMHMR shall report on the appropriated fund sources, amounts and year of appropriation and on the proposed use of these funds to the Legislative Budget Board and the Governor.

37. **Unexpended Balances.** Except as otherwise provided, unexpended and unobligated balances, not to exceed $10 million, remaining from appropriations for the first year of the biennium to the Department of Mental Health and Mental Retardation are appropriated to the department for the purpose of complying with Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) standards and Intermediate Care Facilities for the Mentally Retarded (ICF-MR) standards dealing with residential, non-residential, and community based mental health and mental retardation services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the

department is authorized by this Act to retain for specific purposes in the second year of the biennium. The department shall notify the Legislative Budget Board and the Governor as to when the appropriation originated, why it is not needed, and how it will be used prior to budgeting and expending these balances.

38. **Copyright of Training Materials and Patent of Technologies Developed by the Department.** In addition to the amounts appropriated above, the Department of Mental Health and Mental Retardation is hereby authorized to collect the following fees: a) fees collected from the sale of written training materials, video tapes, audio tapes and in the form of electronic media, such materials having been developed in part or whole by the department; and b) licensing fees collected by the department in exchange for allowing individuals and companies to use any patented technology developed, in part or in whole, by the department. The department is authorized to license the use of any copyright-protected material, trademark, trade secrets, and any patented technology. This does not include any mineral royalties. Fees collected in the sale of training materials described above may be in excess of the actual reproduction cost incurred by the department and shall be used to recoup the costs associated with developing the training materials. Fifty percent of the fees collected in licensing of any patented technology shall be devoted to further research and development of technologies reasonably believed to be of assistance to the department's priority population. The remaining 50 percent shall be deposited to the General Revenue Fund.

39. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Mental Health and Mental Retardation may transfer appropriations made for the fiscal year ending August 31, 2005, to the fiscal year ending August 31, 2004, subject to the following conditions provided by this section:

    a. Transfers under this section may be made only:

        (1) if appropriated receipts required to fund appropriations contained in this Act for fiscal year 2004 are less than those contained in the method of finance for the department for fiscal year 2004;

        (2) for any emergency expenditure requirements, including expenditures necessitated to ensure the continuation of Medicaid client services to maintain fiscal year 2003 Medicaid caseloads.

    b. Transfers may not exceed $15,000,000 in general revenue.

    c. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor.

    d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

40. **Revolving Fund Services: Canteen Services and Sheltered Workshops.**
    a. Canteen Services. Each of the facilities under control and management of the Department of Mental Health and Mental Retardation, except the Central Office, may establish, maintain and operate a canteen for the convenience of its patients. Any balances remaining in each canteen operation fund are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be $350,000 from balances on hand on August 31, 2003 and included above in Strategy D.1.1, MR State School Services. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. All receipts deposited to its credit, estimated to be $3,067,661 in fiscal year 2004 and $3,067,661 in fiscal year 2005 and included above in Strategy D.1.1, MR State School Services, are appropriated for all costs necessary for the operation of a canteen for

the next fiscal year. Funds appropriated for canteen services are reflected in the method of finance above as MHMR Revolving Fund Receipts. Each of the facilities under control and management of the department that contracts with the Commission for the Blind for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code § 551.004.

The department shall provide information on related revenues, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriation Requests, and Annual Financial Reports. The timetable, format and content for additional monthly reports related to Canteen operations shall be prescribed by the Legislative Budget Board.

b. Sheltered Workshops. The Department of Mental Health and Mental Retardation may maintain a revolving fund for its management responsibilities related to sheltered workshops. Any balances remaining in the sheltered workshop funds are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be $1,300,000 from balances on hand remaining on August 31, 2003 and included above in Strategy D.1.1, MR State School Services. Any unobligated balances as of August 31, 2004, are appropriated for the same use during fiscal year 2005. All receipts deposited to the credit of the sheltered workshops, estimated to be $1,457,854 in fiscal year 2004 and $1,457,854 in fiscal year 2005 and included above in Strategy D.1.1, MR State School Services, are appropriated for all costs necessary for the operation of sheltered workshops. Funds appropriated for sheltered workshops are reflected in the method of finance above as MHMR Revolving Fund Receipts. The department shall provide information on related revenues, expenditures, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriations Requests, and Annual Financial Reports. The timetable, format, and content for additional monthly reports related to the Sheltered Workshop Revolving Fund shall be prescribed by the Legislative Budget Board.

## HUMAN RESOURCE POLICY

41. **Employee Meals.** Notwithstanding any other provision in this Act, the Department of Mental Health and Mental Retardation may provide free meals to employees who are required to eat meals with clients.

42. **Maximum Security Salaries.** As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Department of Mental Health and Mental Retardation to pay employees working in designated Maximum Security Units or designated specialized Behavioral Management Units up to a two step increase over those salary rates provided by the General Provisions.

43. **Fire Prevention and Safety.** In instances in which regular employees of facilities located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the General Provisions on this Act relating to the position classifications and assigned salary ranges:

| | |
|---|---|
| Fire Chief | $ 75 per month |
| Assistant Fire Chief | $ 65 per month |
| Fire Brigade Member | $ 50 per month |

44. **Patient or Client Assistance.** Subject to the approval of rules and regulations of the governing board of the Department of Mental Health and Mental Retardation, patients or clients in any state facility who are assisting in the operation of the facility as part of their therapy, may receive compensation out of any funds available to the respective facilities.

45. **Language Interpreter Services.** In order to compensate employees for assuming the duty of providing interpretation services to consumers whose primary language is not English, facilities of the Texas Department of Mental Health and Mental Retardation, upon written authorization of the Commissioner or his/her designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.4 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when they are no longer needed by the facility. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase. This authorization also includes employees who provide interpretation services in American Sign Language.

46. **State-Owned Housing Authorized.** The Superintendent, Medical Director, Assistant Superintendent for Programs, and Director of Plant Maintenance at each facility are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

47. **Professional Trainees and Interns**. The Texas Department of Mental Health and Mental Retardation is authorized to compensate professional trainees or interns in recognized educational programs at any salary rate not to exceed the following amounts:

| | |
|---|---|
| Psychiatrist Interns | $3,412 per month |
| Physician Interns | $2,925 per month |
| Psychologist Trainees | $2,749 per month |
| Registered Nurse Trainees | $2,295 per month |
| Chaplain Interns | $2,161 per month |
| Physical, Occupational, or Registered Therapist Trainees | $2,036 per month |
| Social Worker Trainees | $1,921 per month |
| Medical Technologist Trainees | $1,921 per month |
| Licensed Vocational Nurse Trainees | $1,716 per month |

**OTHER PROVISIONS**

48. **Residential Providers.** It is the intent of the Legislature that individuals seeking residential services for a person with mental retardation have a choice of available providers. To ensure choice, the agency shall inform individuals seeking residential services of all the service options available, including large and small congregate living arrangements and waiver services.

49. **Placement Options.** An individual with mental retardation or an individual's legally authorized representative seeking residential services shall receive a clear explanation of programs and services for which the individual is determined to be eligible, including state schools, community ICFs-MR, 1915(c) waiver services or other services. The programs and services that are explained shall be documented in the individual's record and acknowledged in writing by the individual or the individual's legally authorized representative. If the chosen programs or

services are not available, the individual or the individual's legally authorized representative shall be given assistance in gaining access to alternative services and the selected waiting lists.

The department shall keep a central list of the number of openings available for each type of residential service. The department shall honor the program and services preferences of the person or the person's legally authorized representative to the maximum extent openings are available in a residential program or service for which the individual meets program criteria.

50. **New Generation Medications.** Funds expended on New Generation medications shall be spent in accordance with the practice guidelines developed through the Texas Implementation of Medication Algorithms (TIMA), Children's Medication Algorithm Project (CMAP) or a TDMHMR-approved variation or substitute of TIMA or CMAP guidelines.

51. **Limit on Spending New Generation Medication Funds.**
    a. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation utilize funds appropriated for New Generation Medications for no other purpose than the provision of New Generation Medications. This limitation shall apply to funds appropriated for New Generation Medications in the following strategies: A.1.1, Adult MH Community Services; A.1.2, Children's MH Community Services; A.1.4, NorthSTAR Behavioral Health Waiver; B.1.1, MH State Hospital Services; and D.1.1, MR State School Services.

    b. Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that an authority using its New Generation Medication funds for support services must meet its contracted performance target for persons served with New Generation Medications and that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority.

52. **Gulf Coast Regional Community Psychiatric Hospital.** Out of funds appropriated above in Strategy A.1.3, MH Community Hospitals, the Department of Mental Health and Mental Retardation shall allocate $824,900 in fiscal year 2004 and $760,334 in fiscal year 2005 to the community hospital in Galveston for the purpose of bringing the allocation for that facility to the statewide average community hospital allocation.

53. **Home and Community-Based Services Mid-Range Waiver**. The Department of Mental Health and Mental Retardation, in conjunction with the Health and Human Services Commission, is authorized to seek approval from the Centers for Medicare and Medicaid Services for a Home and Community-based Services 'mid-range' waiver to provide services and supports to persons with mental retardation who do not require out-of-home residential support. Services and supports in this waiver would be capped at $25,000 per year. The Legislative Budget Board and the Governor must approve implementation of this waiver prior to expenditure of any funds on waiver placements.

54. **Provision of Information about All Care Alternatives.** The Department of Mental Health and Mental Retardation shall comply with the requirements of § 533.038 of the Health and Safety Code by specifically providing to a person with mental retardation who is seeking residential services, or that person's legally authorized representative, information regarding the full continuum of care alternatives that are available, as well as information regarding spaces available in all the care alternatives.

55. **Performance Measure Adjustment.** It is the intent of the Legislature that the department work with the Legislative Budget Board and the Governor, in accordance with the provision titled

"Budgeting and Reporting" in the General Provisions of this Act to make appropriate adjustments to performance measure targets if, during the course of the 2004–05 biennium, it receives a decrease in federal earnings related to a reduction in the rates for Medicaid reimbursement for rehabilitation services.

56. **Performance Measure Targets.** The department, with assistance from local authorities, the Legislative Budget Board, and the Governor, shall develop uniform methodologies to be used in setting its biennial performance measure targets. The methodologies will take into consideration inflation and operating costs as well as the actual costs associated with delivering individual units of mental health and mental retardation services. The department will use the methodologies in developing measure targets in its 2006–07 Legislative Appropriations Request.

57. **Purchasing of Medication.** The Department of Mental Health and Mental Retardation shall require local mental health and mental retardation authorities to document their effort to make needed medications available to consumers at the lowest possible prices and to utilize the most cost effective medication purchasing arrangement available. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation shall provide technical assistance to community centers as necessary to maximize efficiency.

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

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

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

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

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

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

60. **Recoupment of Funds from Local Authorities.** Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2004 recouped by the department from a local

mental health or mental retardation authority for failing to fulfill its performance contract with the State, are hereby reappropriated to the department to reallocate to other local mental health or mental retardation authorities to use for a related purpose in fiscal year 2005.

61. **Donations from Individuals, Community Groups and Volunteer Services Councils.** It is expressly provided that the Texas Department of Mental Health and Mental Retardation, in accordance with § 533.001 of the Health and Safety Code and to the extent permitted by law, may accept donations for permanent improvements at the state mental health facilities and the state mental retardation facilities from individuals, community groups and local Volunteer Services Councils. Such funds are not subject to limitations on capital budget expenditures as contained in Article IX or any other similar provisions in this Act. Permanent improvements are defined as an improvement to a state facility that involves construction, building system(s), and/or landscaping.

62. **Contracted Medical Services.** It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation (TDMHMR) will not pay more than the approved reimbursement rate set by the Health and Human Services Commission for hospital services provided to an indigent TDMHMR consumer in a private or public hospital.

63. **Contingency Appropriation out of the Capital Trust Fund.** Included in amounts above is $5,859,850 in Capital Trust Fund revenue for the 2004–05 biennium, contingent upon the department earning and depositing amounts above the $4,599,000 that is identified in the Biennial Revenue Estimate. These funds above the revenue estimate shall be made available upon certification by the Comptroller of Public Accounts and used in accordance with their statutorily dedicated purpose.

64. **Cost Effective Study of Community Hospitals.** Out of funds appropriated the Department of Mental Health and Mental Retardation shall develop a study to identify the cost effectiveness of community hospitals across the state. The study shall include state, regional, and local factors affecting issues related to stabilization and long term care for mental health needs. The department will also review the reasons for closures of community hospitals, including costs associated with providing acute and long term care. The department shall submit the findings of the study to the Legislature, no later than September 1, 2005.

65. **Authorization of Deferred Payments to Community MHMR Centers.**

    a. The Department of Mental Health and Mental Retardation is hereby authorized to defer payments to community MHMR centers for services in fiscal year 2005 until September 2005 and those deferred payments will be paid from fiscal year 2006 appropriations in an amount not to exceed $33,000,000 in General Revenue, which is equal to one-twelfth of the annual general revenue allocations to the community MHMR centers.

    b. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Mental Health and Mental Retardation such amounts as may be necessary for payment of the deferred payments (estimated to be $33,000,000 General Revenue) by August 31, 2005.

## DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROTECTIVE SERVICES<br>In collaboration with other public and private entities, protect children, elder adults, and persons with disabilities, from abuse, neglect and/or exploitation by providing an integrated service delivery system that results in quality outcomes, and reduce the incidence of abuse, neglect, and exploitation by maximizing resources for early intervention, prevention, and aftercare. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Children in PRS Conservatorship for Whom Legal Resolution Was Achieved within 12 Months | 62% | 62.5% |
| Percent of Children in PRS Conservatorship for Whom Permanency Was Achieved within 18 Months | 90% | 90% |
| Percent of Adoptions Consummated within 18 Months of Termination of Parental Rights | 77% | 77% |
| Percent of CYD Youth Not Referred to Juvenile Probation | 95% | 95% |
| Child Protective Services Caseworker Turnover Rate | 25% | 25% |
| Percent of Elderly Persons and Persons with Disabilities Found to Be in a State of Abuse/Neglect/Exploitation Who Receive Protective Services | 84% | 84% |
| Incidence of Abuse/Neglect/Exploitation per 1,000 Persons Receiving Services in MHMR Settings | 6.3 | 6.4 |
| Percent of Validated Occurrences Where Children Are Placed at Serious Risk | 33% | 33% |
| Percent of CAPS Help Desk Calls Answered within the Related Service Level Agreement | 90% | 90% |
| **A.1.1. Strategy:** CPS STATEWIDE INTAKE<br>Provide a comprehensive and consistent system with automation support for receiving reports of children suspected to be at risk of abuse/neglect and assign for investigation those reports that meet the Texas Family Code definition of child abuse/neglect. | $ 7,841,705 | $ 7,836,142 |
| **Output (Volume):** | | |
| Number of CPS Reports of Child Abuse/Neglect | 172,825 | 181,423 |
| **A.1.2. Strategy:** CHILD AND FAMILY SERVICES<br>Provide a comprehensive and consistent system for the direct delivery of investigations, regular family preservation and family reunification services, out-of-home care, and permanency planning for children who are at risk of abuse/neglect and their families. | $ 213,585,101 | $ 222,098,642 |
| **Output (Volume):** | | |
| Number of Completed CPS Investigations | 128,697 | 131,722 |
| Number of Confirmed CPS Cases of Child Abuse/Neglect | 32,398 | 33,145 |
| Average Number of Open CPS Investigations Per Month | 26,609 | 27,186 |
| Number of Children in PRS Conservatorship Who Are Adopted | 2,160 | 2,171 |
| **Efficiencies:** | | |
| Average Monthly Cost Per Open CPS Investigation | 137.75 | 135.91 |
| **Explanatory:** | | |
| CPS Workload Equivalency Measure (WEM) | 27.3 | 27.1 |
| **A.1.3. Strategy:** CPS PURCHASED CLIENT SERVICES<br>Provide purchased services to treat children who have been abused or neglected, to enhance the safety and well-being of children at risk of abuse and neglect, and to enable families to provide safe and nurturing home environments for their children. | $ 49,092,904 | $ 49,114,402 |
| **Output (Volume):** | | |
| Average Number of Days of TWC Child Care Paid Per Month | 59,725 | 59,725 |

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Cost Per Day for TWC Child Care | | 18.53 | | 18.53 |
| **A.1.4. Strategy:** INTENSIFIED FAMILY PRESERVATION | $ | 16,156,468 | $ | 16,156,468 |
| Provide intensified family preservation services to prevent unnecessary removal from their homes of children at risk of abuse and neglect, and intensified family reunification services to enable the early and safe return of children to their homes. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Families Receiving Intensified Family Preservation Services Per Month | | 1,745 | | 1,782 |
| **Efficiencies:** | | | | |
| Average Cost Per Family Receiving Intensified Family Preservation/Reunification Services | | 695.44 | | 680.33 |
| **A.1.5. Strategy:** FOSTER CARE PAYMENTS | $ | 351,381,622 | $ | 378,022,978 |
| Provide funding for foster care services for children who need them. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Days Per Month of Foster Care for All Levels of Care | | 497,547 | | 532,048 |
| **Efficiencies:** | | | | |
| Average Expenditures for Foster Care Per Month for All Levels of Care | | 28,941,646 | | 31,165,224 |
| **A.1.6. Strategy:** ADOPTION SUBSIDY PAYMENTS | $ | 101,654,791 | $ | 111,153,252 |
| Provide funding for adoption subsidies for children who need them. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Children Provided Adoption Subsidy Per Month | | 16,673 | | 18,057 |
| **Efficiencies:** | | | | |
| Average Monthly Payment Per Adoption Subsidy | | 499.48 | | 500.24 |
| **A.1.7. Strategy:** AT-RISK PREVENTION SERVICES | $ | 47,146,973 | $ | 47,146,973 |
| Provide funding and support for community-based prevention programs to alleviate the conditions that lead to child abuse/neglect and juvenile crime. | | | | |
| **Output (Volume):** | | | | |
| Average Number of STAR Youth Served Per Month | | 5,367 | | 5,367 |
| Average Number of CYD Youth Served Per Month | | 5,772 | | 5,772 |
| Number of Case-managed Students Participating in Communities-in-Schools Program | | 63,538 | | 63,538 |
| **Efficiencies:** | | | | |
| Average State Cost Per Communities-in-Schools Participant | | 296.3 | | 296.3 |
| **A.2.1. Strategy:** ADULT PROTECTIVE SERVICES | $ | 31,294,916 | $ | 31,904,755 |
| Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of vulnerable adults and provide services to alleviate and prevent the recurrence of cases of maltreatment. | | | | |
| **Output (Volume):** | | | | |
| Number of Completed APS Investigations | | 58,429 | | 58,902 |
| Number of Confirmed APS Cases | | 42,457 | | 43,341 |
| Number of APS Clients Receiving Guardianship Services | | 709 | | 732 |
| **Efficiencies:** | | | | |
| Average Monthly Cost Per APS Investigation | | 122.46 | | 123.48 |
| **A.2.2. Strategy:** MHMR INVESTIGATIONS | $ | 4,285,144 | $ | 4,285,144 |
| Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of persons receiving services in MHMR settings. | | | | |
| **Output (Volume):** | | | | |
| Number of Completed MHMR Investigations | | 9,977 | | 10,215 |

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Monthly Cost Per MHMR Investigation | | 312.97 | | 305.73 |
| **A.3.1. Strategy:** CHILD CARE REGULATION | $ | 20,320,462 | $ | 20,320,462 |
| Provide a comprehensive system of consultation, licensure, and regulation which ensures the maintenance of minimum standards by day care facilities, residential child care facilities, registered family homes, child-placing agencies, and residential child care facility administrators. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses, Certifications, Registrations and Listings Issued | | 4,407 | | 4,407 |
| **Efficiencies:** | | | | |
| Average Cost Per Issuance | | 762.02 | | 756.74 |
| **A.4.1. Strategy:** MAINTAIN AUTOMATED SYSTEM | $ | 8,729,268 | $ | 8,729,268 |
| Maintain the Child and Adult Protective System (CAPS) to support investigations and the delivery of protective services. | | | | |
| **Output (Volume):** | | | | |
| Number of Hours of Unscheduled Downtime for the Child and Adult Protective System | | 20 | | 20 |
| **Total, Goal A:** PROTECTIVE SERVICES | $ | 851,489,354 | $ | 896,768,486 |
| **B. Goal:** INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 9,432,685 | $ | 9,409,412 |
| **B.1.2. Strategy:** INFORMATION RESOURCES | $ | 10,806,946 | $ | 10,806,946 |
| **B.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 936,569 | $ | 936,569 |
| **B.1.4. Strategy:** REGIONAL ADMINISTRATION | $ | 5,880,585 | $ | 5,880,585 |
| **Total, Goal B:** INDIRECT ADMINISTRATION | $ | 27,056,785 | $ | 27,033,512 |
| **Grand Total,** DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES | $ | 878,546,139 | $ | 923,801,998 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 106,658,879 | $ | 115,932,966 |
| GR Match for Medicaid | | 43,047,078 | | 44,613,976 |
| GR MOE for Temporary Assistance for Needy Families | | 13,251,777 | | 13,273,275 |
| Earned Federal Funds | | 837,551 | | 837,551 |
| GR Match for Title IV-E Foster Care/Adoption Payments | | 81,456,045 | | 88,162,555 |
| Subtotal, General Revenue Fund | $ | 245,251,330 | $ | 262,820,323 |
| General Revenue Fund - Dedicated | | | | |
| Child Abuse and Neglect Prevention Operating Account No. 5084 | | 3,298,000 | | 3,298,000 |
| Compensation to Victims of Crime Account No. 469 | | 32,782,709 | | 32,782,709 |
| Subtotal, General Revenue Fund - Dedicated | $ | 36,080,709 | $ | 36,080,709 |
| Federal Funds | | 580,560,686 | | 608,247,552 |

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Appropriated Receipts | | 3,834,008 | | 3,834,008 |
| Interagency Contracts | | 12,819,406 | | 12,819,406 |
| Subtotal, Other Funds | $ | 16,653,414 | $ | 16,653,414 |
| **Total, Method of Financing** | $ | 878,546,139 | $ | 923,801,998 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 6,825.9 | | 7,045.4 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 5 | | $125,000 | | $125,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 233,929,178 | $ | 240,388,163 |
| Other Personnel Costs | | 5,465,834 | | 5,465,834 |
| Professional Fees and Services | | 14,544,956 | | 14,669,780 |
| Fuels and Lubricants | | 9,039 | | 9,039 |
| Consumable Supplies | | 1,479,979 | | 1,778,948 |
| Utilities | | 5,861,740 | | 5,861,740 |
| Travel | | 16,616,219 | | 17,240,743 |
| Rent - Building | | 16,272,013 | | 16,272,013 |
| Rent - Machine and Other | | 7,107,142 | | 7,392,927 |
| Other Operating Expense | | 24,212,632 | | 25,537,362 |
| Client Services | | 538,790,318 | | 574,951,633 |
| Food for Persons - Wards of State | | 38,352 | | 38,352 |
| Grants | | 14,007,479 | | 14,007,479 |
| Capital Expenditures | | 211,258 | | 187,985 |
| **Total, Object-of-Expense Informational Listing** | $ | 878,546,139 | $ | 923,801,998 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Lease Payments to the Master Lease Purchase Program (1998-99) | $ | 64,709 | $ | 41,436 |
| (2) Desktop Services Lease for Computer Hardware and Software | | 4,562,775 | | 4,562,775 |
| Total, Capital Budget | $ | 4,627,484 | $ | 4,604,211 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 294,947 | $ | 271,674 |
| GR Match for Medicaid | | 679,926 | | 679,926 |
| Subtotal, General Revenue Fund | $ | 974,873 | $ | 951,600 |
| Federal Funds | | 3,652,611 | | 3,652,611 |
| Total, Method of Financing | $ | 4,627,484 | $ | 4,604,211 |

2. **Substitute Care Permanency Goal.** In order to comply with the Adoption and Safe Families Act of 1997, 45 CFR 1356.21, it is the intent of the Legislature that the Department of Protective and Regulatory Services actively seek permanent homes for the children who are in the department's substitute care program for long periods. To this end, the department shall seek to limit the number of children under the department's responsibility who are in substitute care for a period longer than 24 months. The department shall strive to assure that no more than 45 percent of the children in paid placements are in substitute care for more than 24 months for fiscal years 2004 and 2005.

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

3. **Limitation on Expenditures for Conservatorship Suits.** To the extent allowed by federal regulation, federal funds may be used by the department in conjunction with funds provided by counties with which the department has child welfare contracts, to pay for legal representation for children or their parents in suits in which the department is seeking to be named conservator. No general revenue funds appropriated to the department may be used to make such payments.

4. **Appropriation of Funds.** All funds received by the department from counties, cities, and other local sources and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act. (Estimated to be $0)

5. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Protective and Regulatory Services is hereby authorized to make transfers into separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

6. **Foster Care Rates.**
   a. It is the intent of the Legislature that the Department of Protective and Regulatory Services reimburse foster families at least $17.12 per day for children under 12 years old and $17.50 per day for children age 12 and older during the 2004–05 biennium. The department may transfer funds into Strategy A.1.5, Foster Care Payments, for the purpose of maintaining these rates. The department may not transfer funds out of Strategy A.1.5, Foster Care Payments.

   b. The department may also use funds in Strategy A.1.5, Foster Care Payments, to recommend alternate service provision intake and investigation that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for existing and new pilot approaches implemented in this manner.

7. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from Department of Protective and Regulatory Services Fund 37. The initial deposit of federal funds shall be made into Fund 37 and no direct expenditures shall be made from this fund.

8. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above not to exceed $35,000 per year, is limited to the following advisory committees: Texas Multidisciplinary Task Force on Children's Justice, Child Abuse Prevention and Evaluation Committee, State Advisory Committee on Child Care Administrators and Facilities, Advisory Committee to Promote Adoption of Minority Children, and Communities in Schools State Advisory Committee.

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

9. **Earned Federal Funds.**
   a. The Department of Protective and Regulatory Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.

   b. The authority to receive and expend earned federal funds in excess of those appropriated above is subject to the following limitations:

      (1) At least 14 days prior to any expenditure of earned federal funds in excess of those appropriated, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission. At least 14 days prior to any meeting of the Board of Protective and Regulatory Services to consider a budget adjustment of any use of earned federal funds above levels indicated in the appropriation above or to consider any program expansion, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.

      (2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.

      (3) The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.

   c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2003 (estimated to be $0), and receipts earned in fiscal years 2004 and 2005 .

10. **At-Risk Prevention Services.** Out of funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, in each year of the biennium the department shall allocate not less than $18,581,994 for the STAR Program; and not less than $7,065,945 for Community Youth Development Grants.

11. **Medicaid and Other Reporting Requirements.**
    a. None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless:

        (1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program, the Foster Care and Adoption Assistance program, Temporary Assistance for Needy Families, and the Child Welfare Services program. This shall include, but is not limited to:

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

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

        (2) the department submits to the Legislative Budget Board and the Governor quarterly:

            i. a report detailing the foster care caseload figures and related expenditure amounts, by level of care, for the preceding months;
            ii. a report detailing the adoption assistance caseload figures and related expenditure amounts for the preceding months; and
            iii. a report projecting the anticipated foster care and adoption assistance caseloads for the 36 month period beginning with the first month after the report is due.

    b. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in each respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.

    c. Each report submitted pursuant to this provision must contain a certification by the person submitting the report, that the information provided is true and correct based upon information and belief together with supporting documentation.

    d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Protective and Regulatory Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Department of Protective and Regulatory Services is not in compliance with this provision.

12. **Caseworker and Other Reporting Requirements.** None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless the department submits to the Legislative Budget Board and the Governor at the end of each quarter a report detailing by position classification number and position title the number of caseworkers and casework supervisors assigned to the Child Protective Services program, the Adult Protective Services program, and the Child Care Regulation program. The format and content of the report shall be prescribed by the Legislative Budget Board.

13. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Protective and Regulatory Services may transfer appropriations made above for Strategy A.1.5, Foster Care Payments and Strategy A.1.6,

Adoption Subsidy Payments, for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:

a. Transfers under this section may be made only if costs associated with providing foster care or adoption subsidy payments exceed the funds appropriated for these payments for fiscal year 2004;

b. Transfers may not exceed $10,000,000 in general revenue;

c. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor; and

d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

14. **Limitation on Expenditures for Administrative Overhead.** Out of the funds appropriated above in Strategy A.1.3, CPS Purchased Client Services, $13,979,163 in fiscal year 2004 and $13,979,163 in fiscal year 2005 may be used only to purchase child day care services through the Texas Workforce Commission.

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

15. **Communities in Schools Program.** Out of the funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, $18,826,372 in fiscal year 2004 and $18,826,372 in fiscal year 2005 may be used only for the Communities in Schools program.

16. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Protective and Regulatory Services shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Protective and Regulatory Services shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of the agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for caseworkers.

17. **Use of Personal Cellular Telephones.** Out of funds appropriated above, the Department of Protective and Regulatory Services shall pay child and adult protective services program caseworkers, supervisors, and directors an amount not to exceed $50 per month for work-related use of their personal cellular telephones.

18. **Rate Analysis and Reporting Requirements.**

a. None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless:

(1) At least 45 days prior to any action by the Department of Protective and Regulatory Services to increase foster care rates or adoption subsidy rates, the department shall

notify the Legislature Budget Board, the Governor, and the Office of the State Auditor, about the proposed rates and submit a five-year cost impact analysis using the most current caseload forecast.

(2) The cost impact analysis shall be prepared in a format approved by the Legislative Budget Board.

b. Reports submitted pursuant to this provision must contain a certification by the Chief Financial Officer and the Chair of the Board of Protective and Regulatory Services that the information provided is true and correct based upon information and belief together with supporting documentation. Additionally, the Chief Financial Officer and the Chair of the Board of Protective and Regulatory Services must either indicate that the proposed action is within biennial appropriated/available funding or estimate the amounts (including General Revenue, Temporary Assistance for Needy Families, and All Funds) by which the proposed action will exceed biennial appropriated/available funding.

c. The Office of the State Auditor shall review the cost impact analysis prepared under Subsection (a) along with supporting documentation, supporting records, and justification for the rate increase provided by the Department of Protective and Regulatory Services and report back to the Legislative Budget Board and the Governor prior to the rate increase.

d. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Department of Protective and Regulatory Services if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the department (or the Health and Human Services Commission in the event that authority to set foster care rates or adoption subsidy rates is transferred to the Health and Human Services Commission) is not in compliance with the provision.

e. Any requirement for the Department of Protective and Regulatory Services to provide a cost analysis under Subsection (a), a certification under Subsection (b), or supporting documentation and justification under Subsection (c) shall mean the Health and Human Services Commission or the Commissioner of Health and Human Services, in the event that authority to set foster care rates or adoption subsidy rates is transferred to the Health and Human Services Commission.

19. **Provision of Direct Services.** The Children's Trust Fund state plan for child abuse and neglect primary prevention programs shall emphasize funding for programs that provide direct services such as mentoring, parenting skills, early intervention and prevention, services for high-risk parents, and services to families in crisis.

20. **Unexpended Balances.** All unexpended balances appropriated above to Strategy A.1.7, At-Risk Prevention Services, for the fiscal year ending August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

21. **Faith-based Foster Family Recruitment and Training.** From funds appropriated above, $500,000 in fiscal year 2004 and $706,000 in fiscal year 2005 shall be used for the purposes of developing and implementing a program to recruit and train foster families from faith-based communities.

22. **Buffalo Soldiers Heritage Program.** Out of funds appropriated above in Strategy A.1.7, At-Risk Prevention Services, in each year of the biennium the Department of Protective and Regulatory Services shall use up to $250,000 for the Dan Kubiak Buffalo Soldiers Program. Contract(s) are to be awarded through statewide procurement.

## REHABILITATION COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SERVICE DELIVERY SYSTEM<br>To provide an integrated system of service delivery options which promotes informed client choice in the delivery of services leading to employment of choice, living as independently as possible, and accessing high quality services. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Employed Rehabilitants Earning at Least Minimum Wage | 97.3% | 97.3% |
| **A.1.1. Strategy:** REHABILITATION SERVICES<br>Rehabilitate and place people with disabilities in competitive employment or other appropriate settings, consistent with informed consumer choice and abilities. | $ 169,454,370 | $ 169,454,371 |
| **Output (Volume):** | | |
| Number of Eligible Clients Provided Vocational Rehabilitation Services | 126,195 | 126,196 |
| Number of Eligible Clients Rehabilitated and Employed | 20,000 | 20,000 |
| Number of Individuals Whose TRC-supported Training and Education Extended Past Two Years | 1,700 | 1,700 |
| **Efficiencies:** | | |
| Cost Per Client Rehabilitated and Employed | 8,531 | 8,531 |
| Average Number of Months of TRC-supported Training and Education Courses Before Employment | 12 | 12 |
| Average Cost Per Individual in a TRC-supported Training and Education Course | 1,033 | 1,085 |
| **A.3.1. Strategy:** INDEPENDENT LIVING CENTERS<br>Work with independent living centers and the State Independent Living Council (SILC) to establish the centers as financially and programmatically independent from Texas Rehabilitation Commission and financially and programmatically accountable for achieving independent living outcomes with their clients. | $ 1,439,283 | $ 1,439,283 |
| **Output (Volume):** | | |
| Number of People Receiving Services from Texas Rehabilitation Commission Supported Independent Living Centers | 3,821 | 3,822 |
| **A.3.2. Strategy:** INDEPENDENT LIVING SERVICES<br>Provide consumer-driven and Texas Rehabilitation Commission counselor-supported independent living services to people with severe disabilities statewide. | $ 2,569,459 | $ 2,569,459 |
| **Output (Volume):** | | |
| Number of People Receiving Texas Rehabilitation Commission Supported Independent Living Services | 2,237 | 2,237 |
| **A.3.3. Strategy:** COMPREHENSIVE REHABILITATION<br>Provide consumer-driven and counselor-supported Comprehensive Rehabilitation Services for people with traumatic brain injuries or spinal cord injuries. | $ 10,067,354 | $ 10,067,355 |
| **Output (Volume):** | | |
| People Receiving Comprehensive Rehabilitation Services | 380 | 363 |
| **Efficiencies:** | | |
| Cost Per CRS Client | 26,391 | 27,627 |
| **Total, Goal A:** SERVICE DELIVERY SYSTEM | $ 183,530,466 | $ 183,530,468 |

## REHABILITATION COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** DISABILITY DETERMINATION | | | | |
| Enhance service to persons with disabilities by achieving accuracy and timeliness within the Social Security Administration Disability Program guidelines and improving the cost-effectiveness of the decision making process in the disability determination services. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Case Decisions That Are Accurate | | 95% | | 95% |
| **B.1.1. Strategy:** DDS DETERMINATION | $ | 84,999,136 | $ | 88,424,625 |
| Enhance cost-effective methods in administering disability determination services. | | | | |
| **Output (Volume):** | | | | |
| Number of Disability Cases Determined | | 238,430 | | 248,085 |
| **Efficiencies:** | | | | |
| Cost Per Disability Case Determination | | 359 | | 359 |
| **C. Goal:** PROGRAM INITIATIVES | | | | |
| Strengthen our continuum of direct service programs with legislative and strategic initiatives which promote innovation in meeting the needs of Texans with disabilities and emphasize effective interaction with consumers and advocates. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Total Developmental Disabilities Plan Activities Initiated | | 87% | | 87% |
| **C.1.1. Strategy:** PROMOTE INDEPENDENCE | $ | 4,586,100 | $ | 4,677,800 |
| Promote the independence, productivity, and integration of people with developmental disabilities in Texas. | | | | |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 7,871,173 | $ | 7,871,173 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 5,942,549 | $ | 5,942,549 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 5,211,277 | $ | 5,211,277 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 19,024,999 | $ | 19,024,999 |
| **Grand Total,** REHABILITATION COMMISSION | $ | 292,140,701 | $ | 295,657,892 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 832,516 | $ | 832,516 |
| Earned Federal Funds | | 2,328,231 | | 2,328,231 |
| GR for Vocational Rehabilitation | | 37,126,661 | | 37,126,662 |
| Subtotal, General Revenue Fund | $ | 40,287,408 | $ | 40,287,409 |
| GR Dedicated - Comprehensive Rehabilitation Account No. 107 | | 10,439,439 | | 10,439,440 |
| Federal Funds | | 239,904,107 | | 243,309,796 |
| Other Funds | | | | |
| Interagency Contracts | | 1,009,747 | | 1,121,247 |
| Subrogation Receipts | | 500,000 | | 500,000 |
| Subtotal, Other Funds | $ | 1,509,747 | $ | 1,621,247 |
| **Total, Method of Financing** | $ | 292,140,701 | $ | 295,657,892 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 2,602.5 | | 2,602.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 4 | | $104,000 | | $104,000 |

| **Object-of-Expense Informational Listing:** | | |
|---|---|---|
| Salaries and Wages | $ 91,675,000 | $ 93,065,849 |
| Other Personnel Costs | 3,721,538 | 3,771,581 |
| Professional Fees and Services | 8,645,928 | 8,645,928 |
| Consumable Supplies | 634,209 | 634,209 |
| Utilities | 4,332,187 | 5,132,330 |
| Travel | 1,332,637 | 1,335,422 |
| Rent - Building | 6,797,935 | 6,798,093 |
| Rent - Machine and Other | 3,502,458 | 3,502,458 |
| Other Operating Expense | 8,977,141 | 9,480,330 |
| Client Services | 2,309,752 | 2,309,752 |
| Client Services | 152,582,869 | 154,061,193 |
| Grants | 5,346,790 | 5,438,490 |
| Capital Expenditures | 2,282,257 | 1,482,257 |
| **Total, Object-of-Expense Informational Listing** | $ 292,140,701 | $ 295,657,892 |

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

| | 2004 | 2005 |
|---|---|---|
| Out of Federal Funds: | | |
| a. Acquisition of Information Resource Technologies | | |
| (1) SSA Redesign and Reconfiguration of State DDS | $ 937,257 | $ 974,747 |
| (2) Infrastructure and Development Platform Update | 545,000 | 545,000 |
| (3) Workstation upgrade | 2,078,067 | 2,078,067 |
| Total, Acquisition of Information Resource Technologies | $ 3,560,324 | $ 3,597,814 |
| b. Acquisition of Capital Equipment and Items | | |
| (1) Uninterruptible Power Supply Project | 800,000 | 0 |
| Total, Capital Budget | $ 4,360,324 | $ 3,597,814 |

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code Sec. 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above not to exceed $64,080 per year, is authorized for the following advisory committees: State Independent Living Council, Rehabilitation Council of Texas, Comprehensive Rehabilitation Advisory Committee, Community Rehabilitation Advisory Committee and any others required by law to be created.

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

3. **Subrogation Receipts.** Included in amounts appropriated above in Strategy A.1.1, Rehabilitation Services, are subrogation collections from the 2004–05 biennium, $500,000 annually. Amounts collected above $500,000 in each year are hereby appropriated to the agency for client services in the Vocational Rehabilitation Program.

4. **Notification of Federal Funds Distribution.**

   a. Redirection of General Revenue Funds. The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.

   b. Budgeting of Additional Federal Dollars. The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor at least 14 days prior to the budgeting of more than $134,971,712 in fiscal year 2004 and $134,962,693 in fiscal year 2005 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the method of finance above. At least 14 days prior to the expenditure of amounts greater than those listed above, the agency shall notify the Legislative Budget Board and the Governor. Amounts noted above include any amounts expended in fiscal year 2004 or 2005 that were carried forward from previous year's allotments.

5. **FTE Designation: Disability Council.** The Texas Rehabilitation Commission is authorized up to 2,602.5 in 2004 and 2,602.5 in 2005 in Full-Time Equivalent (FTE) positions. It is the intent of the Legislature that 17 FTEs each fiscal year are designated for Strategy C.1.1, Promote Independence, for the Developmental Disabilities Council.

6. **General Revenue Fund Dedicated: Comprehensive Rehabilitation Revenue.** The method of financing noted above, General Revenue Fund-Dedicated, Comprehensive Rehabilitation Account No. 107, includes unexpended and unobligated balances of Comprehensive Rehabilitation funds remaining as of August 31, 2003, and receipts earned in fiscal year 2004 and fiscal year 2005, not to exceed $20,878,879 for the biennium. Revenues deposited into General Revenue–Dedicated Account No. 107 are statutorily dedicated for comprehensive rehabilitation services and may not be used for any other purpose.

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

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 87,466,782 | $ 80,979,847 |
| **A.1.2. Strategy:** GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated. | $ 267,603,429 | $ 270,790,756 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 355,070,211 | $ 351,770,603 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 355,070,211 | $ 351,770,603 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 185,956,273 | $ 183,993,190 |
| General Revenue Dedicated Accounts, estimated | 3,158,553 | 3,092,427 |
| Federal Funds, estimated | 165,955,385 | 164,684,986 |
| **Total, Method of Financing** | $ 355,070,211 | $ 351,770,603 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated. | $ 108,354,051 | $ 109,322,615 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 24,054,165 | $ 22,827,402 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 132,408,216 | $ 132,150,017 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 132,408,216 | $ 132,150,017 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 66,315,074 | $ 65,912,028 |
| General Revenue Dedicated Accounts, estimated | 1,333,044 | 1,334,249 |
| Federal Funds, estimated | 64,760,098 | 64,903,740 |
| **Total, Method of Financing** | $ 132,408,216 | $ 132,150,017 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE | $ 19,840,463 | $ 24,133,646 & UB |
| Make general obligation bond debt service payments in compliance with bond covenants. | | |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ 19,840,463 | $ 24,133,646 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 17,009,629 | $ 21,303,402 |
| Federal Funds | 2,362,984 | 2,361,154 |
| Other Funds | | |
| Current Fund Balance | 14,000 | 15,000 |
| MHMR Collections for Patient Support and Maintenance | 232,081 | 232,290 |
| MHMR Appropriated Receipts | 32,767 | 32,786 |
| MHMR Medicare Receipts | 189,002 | 189,014 |
| Subtotal, Other Funds | $ 467,850 | $ 469,090 |
| **Total, Method of Financing** | $ 19,840,463 | $ 24,133,646 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | |
| **A.1.1. Strategy:** LEASE PAYMENTS | $ 7,449,926 | $ 7,455,848 & UB |
| Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | | |
| **Grand Total,** LEASE PAYMENTS | $ 7,449,926 | $ 7,455,848 |

## SPECIAL PROVISIONS RELATING TO ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 1. **Night Shift and Weekend Differential.**

a. Clinical and Support Personnel. The Department of Mental Health and Mental Retardation and the Department of Health are authorized to pay an additional night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel who work the 3 p.m. to 11 p.m. or the 11 p.m. to 7 a.m. shift or its equivalent. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

b. Data Processing Personnel. The Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, the Department of Protective and Regulatory Services, and the Health and Human Services Consolidated Print Shop may pay an evening or night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel in data processing or printing operations who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

Sec. 2. **Services to Employees.** Out of the appropriations authorized, the Department of Mental Health and Mental Retardation and Department of Health may expend funds for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment so long as such items are medically prescribed equipment. Expenditures for such equipment may not exceed $500 per employee per incident.

Sec. 3. **Charges to Employees and Guests.** Collections for services rendered employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the respective governing boards may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

Sec. 4. **New or Additional Facilities.** No funds appropriated may be spent for constructing new or additional facilities or for the purchase of sites without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this subsection, specific authorization may be granted either by basic statute or special authorization in this Act.

Sec. 5. **Revolving Petty Cash Funds.** Each facility under the Board of Health and Board of Mental Health and Mental Retardation may establish a petty cash fund to be maintained in cash or at a local bank. The petty cash fund, not to exceed $25,000, shall be used only for making emergency payments and small purchases which will increase the efficiency of the operation; for payments to client workers on a regular payday basis; for use as change funds in specific locations where financial activities of the agency require a change fund, and for supplies and equipment purchases for sheltered workshops.

Sec. 6. **Approval of Transfers of Medicaid - Title XIX Funds.** As an exception to other provisions of this Act, a transfer that exceeds $1 million in all funds, state and federal, appropriated for Medicaid - Title XIX purposes between strategies of an agency receiving appropriations in this article cannot be made without the prior approval of the Commissioner of Health and Human Services established in Chapter 531 of the Government Code. The Commissioner shall establish procedures that expedite the approval process. Within 14 days of the transfer, agencies are to submit a report to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The report shall include information regarding affected strategies; method of finance; performance measure changes; and full-time equivalent positions due to the transfer of Medicaid funding.

Sec. 7. **Annual Report - Professional Fee Exemption.** It is the intent of the Legislature that the Annual Report required by the General Provisions of this Act shall not include professional fees paid for routine or special examinations for the purpose of determining eligibility of individuals for any of the programs administered by the agencies in this article, professional fees for treatment, services or care for individual recipients, or for providing special needs or appliances for individual recipients, but shall include fees for professional services or consultative services rendered for the general administration of the department.

Sec. 8. **Disposition of State Funds Available Resulting from Federal Match Ratio Change.** In the event the Federal Medical Assistance Percentage should be greater than 60.22 percent for federal fiscal year 2005, or the Enhanced Federal Medical Assistance Percentage should be greater than 72.15 percent for federal fiscal year 2005, the following departments shall be authorized to expend the state funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and Governor: Health and Human Services Commission; Department of Health; Department of Human Services; Department of Mental Health and Mental Retardation; and Department of Protective and Regulatory Services. A copy of such authorization shall be provided to the Comptroller of Public Accounts to assist in monitoring compliance with this provision.

Sec. 9. **Costs Related to Co-location of Services and to Inter-agency Sharing of Support Functions and Services.** To provide an efficient and effective method of paying common support costs related to co-location of human services as required pursuant to the provision of Chapter 531 of the Government Code, and/or costs of performing support functions for multiple agencies, funds may be transferred between agencies for payment of such costs and agencies are authorized to deposit those funds into separate accounts for the purpose of paying shared costs including, but not limited to, postage, occupancy costs, equipment repair, telephones and telephone system costs, office printing costs, supplies, freight and transport costs, electronic data processing systems, or other business functions. Each agency shall be responsible for monthly allocations of these costs to the original strategies.

Sec. 10. **Contracts for Purchase of Client Services.** No funds appropriated to an agency covered by this article may be utilized for contracts for the purchase of program-related client services unless:

a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;

c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;

d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.

Sec. 11. **Attorney General Representation.** The Attorney General and the respective head of an agency identified in this provision are hereby authorized to jointly select one or more Assistant Attorneys General to be assigned to the respective agency. The following agencies are subject to this provision: Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, Health and Human Services Commission, and Department of Protective and Regulatory Services.

Sec. 12. **Medicaid Managed Care Contracts.** The Health and Human Services Commission, Department of Health, Department of Human Services and the Department of Mental Health and Mental Retardation shall include and award value added points in the scoring of applications submitted for Medicaid managed care contracts. At a minimum, the following considerations are to be considered as items for value added points:

a. Continuity of care for the Medicaid client;
b. Graduate Medical Education as part of the delivery system; and
c. Amount of charity care provided by the party applying for a contract award.

Sec. 13. **Transfer of Fund Balances.** Any interest, payments on principal, or balances remaining as of August 31, 2003, in Fund Numbers 15, 16, 17, and 18 are to be transferred by the State Comptroller of Public Accounts to the General Revenue Fund either annually or semiannually.

Sec. 14. **Consolidated Waiver Pilot Project Authorization.** From funds appropriated in Article II for Medicaid waivers that serve people with disabilities, the Department of Human Services is authorized to utilize up to $5,738,858 in Interagency Contracts and $7,963,364 in matching federal funds for the biennium to continue implementation of a pilot waiver program that would consolidate waiver services provided to eligible clients. Waiver programs affected under this provision include the Community Based Alternatives, Community Living Assistance and Support Services, and Medically Dependent Children's program at the Department of Human Services and the Home and Community Services waiver at the Department of Mental Health and Mental Retardation.

Sec. 15. **Children's Medicaid Review.** The Department of Human Services and other agencies determining Medicaid eligibility shall implement procedures to automatically review children's eligibility for Medicaid when their families become ineligible for Temporary Assistance for Needy Families (TANF) and to ensure that their Medicaid coverage continues uninterrupted if they are eligible. The Department of Health, the Health and Human Services Commission, the Department of Mental Health and Mental Retardation, and the Department of Human Services shall cooperate to ensure that the child continues to receive medical assistance without a gap in eligibility if the review required by this rider indicates that the child is eligible for medical assistance on another basis. The Department of Health, the Department of Mental Health and Mental Retardation, and the Health and Human Services Commission shall make expenditures, out of funds appropriated above, in the Medicaid program for children determined to be eligible for the Medicaid program. No child shall receive Medicaid unless they are eligible because of their income level.

Sec. 16. **Transfer Authority.** The Commissioner of Health and Human Services is authorized to make the following transfers, notwithstanding any other provision in this Act and subject to prior approval by the Legislative Budget Board and the Governor, between health and human services agencies listed in Chapter 531, Government Code, including the Health and Human Services Commission, and between the strategies of each such agency. Any such transfers shall be made solely for purpose of creating an efficient, integrated system of business operations across health and human service agencies, for achieving the efficient and effective operation of the Medicaid program, to maximize federal funds, or for other purposes specifically described in Chapter 531, Government Code.

a. For the purposes of this section, 'agency' means an agency listed in Chapter 531, Government Code, and 'agencies' means the agencies listed in Chapter 531, Government Code;

b. The Commissioner of Health and Human Services is authorized to transfer funds between health and human services agencies including the Health and Human Services Commission, and between the strategies of each such agency, for the purpose of implementing the purposes outlined in Chapter 531, Government Code, subject to prior approval by the Legislative Budget Board and the Governor. No one transfer action between agencies may exceed 5 percent of the total yearly appropriation amount of the agency from which funds are being transferred. All approved transfers made pursuant to this provision shall be reported to the Governor and the Legislative Budget Board within 14 days of the transfer action.

c. The Commissioner of Health and Human Services is authorized to transfer full-time equivalent positions 1) between agencies and 2) from agencies to the Health and Human Services Commission, provided that such approved transfers shall not result in a net increase in the total number of full-time equivalent positions authorized for those agencies in this Act. These transfers are subject to the prior approval of the Legislative Budget Board and the Governor.

d. Notwithstanding other limitations on transfers contained in the General Provisions of this Act, the Commissioner of Health and Human Services is authorized to make the following transfers, subject to the prior approval of the Legislative Budget Board and the Governor:

   (1) funds appropriated for capital budget items to agencies may be transferred between agencies for existing capital budget purposes; or

   (2) funds appropriated for capital budget items to agencies may be transferred from a capital budget item to a non-capital item at the agency or from one agency to another agency.

e. All approved fund transfers, transfers of full-time equivalent employees, transfer of appropriation authority for capital budget items, and travel limitations made pursuant to this section shall be reported to the Governor and the Legislative Budget Board no later than 30 days prior to the transfer action. Notifications shall include information regarding the source of funds to be transferred, and any changes in federal funds related to the proposed transfer, the agency and strategy from which the transfer is to be made and the agency and strategy to which the transfer is to be made, the need which was to be served through the original appropriation and the basis for the decrease in need, the need to be served in the strategy receiving the funds and the basis for selecting the strategy, and the purpose established in Chapter 531, Government Code, to be achieved by the transfer. In the event that the transfer could potentially impact client services, the notification shall include information regarding the client population potentially impacted and the impacted agencies' ability to operate existing programs.

Sec. 17. **Payment for Compensatory Time.** It is expressly provided that the Department of Mental Health and Mental Retardation and the Texas Department of Health's State Healthcare Facilities, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

Sec. 18. **Limitation on Appropriations for Long-term Care Waiver Slots.** None of the funds appropriated above to the Department of Human Services and the Department of Mental Health and Mental Retardation for long-term care waiver slots may be utilized for purposes other than the

following unless the alternative purpose was previously authorized by the Legislative Budget Board and the Governor:

a. the establishment and maintenance of long-term care waiver slots;

b. the provision of wraparound services that are specifically associated with such slots and that relate to transitional services, access to immediate housing, and transportation services; or

c. the development of family-based alternatives for children leaving institutions as authorized in Government Code § 531.055, as added by Acts 2001, Seventy-seventh Legislature, Chapter 590, § 2.

This provision applies to funds appropriated for the Mental Retardation (MR) Medicaid Waiver program at the Department of Mental Health and Mental Retardation and the following waiver programs at the Department of Human Services: Community-based Alternatives (CBA), Community Living Assistance and Support Services (CLASS), Medically Dependent Children's Program (MDCP) and Deaf-Blind with Multiple Disabilities Waiver.

Sec. 19. **Salary Recommendations.** Before the beginning of each session of the Legislature, the Commissioner of Health and Human Services may recommend to the members of the Legislature, the Legislative Budget Board, and the State Auditor that the salaries of the chief executive officer of an agency named under Chapter 531, Government Code, be adjusted.

Sec. 20. **Access to Health Care Services.** It is the intent of the Legislature that all agencies administering or responsible for any part of the medical assistance program under Chapter 32, Human Resources Code or referenced in Chapter 531, Government Code, work together to maximize the number of providers, including providers of pediatric care, primary care, nursing home care, and home health services to promote access to quality health care services for all enrollees.

Sec. 21. **Targeted Savings in Medicaid.** If, in the process of achieving cost savings as required under this Act, an agency is required to eliminate services or reduce funding below 2003 levels for any Medicaid program, then the agency shall target the elimination of said services or funding reductions to those areas of the state that, in 2003, had higher per capita levels of funding in order to equalize per capita expenditures for such Medicaid programs across the state.

Sec. 22. **Alternate Service Delivery Model.** From funds appropriated in Article II, the Health and Human Services Commission is authorized to expend up to $1,073,480 in state and/or federal funds for the biennium for implementation of an alternative service delivery model in Dallas County that uses a school-based youth and family center with existing primary and behavioral health programs. It is the intent of the Legislature that other programs will not be negatively affected if these expenditures are authorized. The targeted student population is high-risk students referred to the school district's disciplinary systems. In addition to treatment, the program shall provide information, education, early intervention, and care to school-age children and youth who are at-risk for behavior problems.

The program shall report no later than January 2005 to the Health and Human Services Commission or their designee outcome measure using educational outcome data including attendance, grades, test scores, dropout rates, and discipline records and consumer satisfaction.

Sec. 23. **Intent of the Senate.** It is the intent of the Senate that the programs listed below in priority order, which are not funded in this Article due to the current condition of the State of Texas economy and the lack of sufficient revenue for the 2004–05 biennium, are priorities for funding consideration as additional general revenue becomes available for Article II through updated revenue estimates, other legislation, or other approvals by the Seventy-eighth Legislature:

(1) Department of Human Services for community care for elderly and disabled individuals: $82,900,000;
(2) Health and Human Services Commission for prenatal care and delivery for pregnant women between 133 percent and 185 percent of the Federal Poverty Limit: $71,400,000;
(3) Health and Human Services Commission for prescription drug coverage for recipients of Supplemental Security Income who are not in nursing homes or in Medicaid waiver programs: $338,700,000;
(4) Department of Human Services for state-funded long-term and community care not covered by Medicaid: $35,895,322;
(5) Department of Mental Health and Mental Retardation for adult mental health community center services: $3,300,000;
(6) Department of Mental Health and Mental Retardation for children's mental health community center services: $2,100,000;
(7) Department of Mental Health and Mental Retardation for NorthStar mental health services: $2,100,000;
(8) Health and Human Services Commission for prescription drug coverage for recipients of Temporary Assistance for Needy Families: $41,100,000;
(9) Health and Human Services Commission for medically needy adults: $63,400,000;
(10) Texas Department of Health for county indigent health care: $20,000,000;
(11) Health and Human Services Commission for breast and cervical cancer program: $2,500,000;
(12) Texas Department of Health for HIV medication program: $12,400,000;
(13) Texas Department of Health for kidney health program: $5,300,000;
(14) Health and Human Services Commission for eyeglasses and hearing aids for adults on Medicaid: $9,200,000;
(15) Department of Mental Health and Mental Retardation for maintaining the 3-4 bed residential waiver model for clients with mental retardation: $7,350,680;
(16) Texas Department of Health for the tuberculosis program: $300,000;
(17) Health and Human Services Commission for Promoting Independence: $5,100,000;
(18) Texas Department of Health for direct services to women: $2,900,000;
(19) Texas Department of Health for direct services to children: $4,700,000;
(20) Health and Human Services Commission for Graduate Medical Education (GME), School Health and Related Services (SHARS), and special clinics for tuberculosis treatment: $44,800,000;
(21) Texas Department of Health for tertiary care for uncompensated trauma: $16,300,000;
(22) Department of Protective and Regulatory Services for adoption subsidies: $1,600,000;
(23) Department of Protective and Regulatory Services for adoption services: $1,700,000;
(24) Department of Protective and Regulatory Services for Communities in Schools: $1,100,000;
(25) Department of Protective and Regulatory Services for Services to At-risk Youth (STAR): $1,200,000;
(26) Department of Protective and Regulatory Services for Community Youth Development: $100,000;
(27) Department of Protective and Regulatory Services for investigations at the Department of Mental Health and Mental Retardation: $3,100,000; and
(28) Health and Human Services Commission for Medicaid services from counselors, psychologists, podiatrists and chiropractors: $9,500,000.

## RECAPITULATION - ARTICLE II
## HEALTH AND HUMAN SERVICES
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department on Aging | $ 7,189,384 | $ 7,189,383 |
| Commission on Alcohol and Drug Abuse | 26,955,333 | 26,955,333 |
| Commission for the Blind | 10,574,336 | 10,573,085 |
| Cancer Council | 3,537,039 | 3,537,039 |
| Commission for the Deaf and Hard of Hearing | 1,051,220 | 1,051,221 |
| Rider Appropriations | 110,000 | (110,000) |
| Total | 1,161,220 | 941,221 |
| Interagency Council on Early Childhood Intervention | 32,419,693 | 32,419,692 |
| Department of Health | 439,726,865 | 451,113,540 |
| Health and Human Services Commission | 3,403,081,790 | 3,364,944,044 |
| Department of Human Services | 1,802,260,495 | 1,679,486,854 |
| Department of Mental Health and Mental Retardation | 1,072,803,340 | 1,024,446,056 |
| Department of Protective and Regulatory Services | 245,251,330 | 262,820,323 |
| Rehabilitation Commission | 40,287,408 | 40,287,409 |
| Subtotal, Health and Human Services | $ 7,085,248,233 | $ 6,904,713,979 |
| Retirement and Group Insurance | 185,956,273 | 183,993,190 |
| Social Security and Benefit Replacement Pay | 66,315,074 | 65,912,028 |
| Subtotal, Employee Benefits | $ 252,271,347 | $ 249,905,218 |
| Bond Debt Service Payments | 17,009,629 | 21,303,402 |
| Lease Payments | 7,449,926 | 7,455,848 |
| Subtotal, Debt Service | $ 24,459,555 | $ 28,759,250 |
| TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES | $ 7,361,979,135 | $ 7,183,378,447 |

## RECAPITULATION - ARTICLE II
## HEALTH AND HUMAN SERVICES
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Commission for the Blind | $ 1,872,183 | $ 1,872,183 |
| Cancer Council | 8,000 | 8,000 |
| Department of Health | 232,892,523 | 232,392,523 |
| Department of Human Services | 19,785,167 | 19,789,167 |
| Department of Mental Health and Mental Retardation | 50,846,148 | 50,839,428 |
| Department of Protective and Regulatory Services | 36,080,709 | 36,080,709 |
| Rehabilitation Commission | 10,439,439 | 10,439,440 |
| Subtotal, Health and Human Services | $ 351,924,169 | $ 351,421,450 |
| Retirement and Group Insurance | 3,158,553 | 3,092,427 |
| Social Security and Benefit Replacement Pay | 1,333,044 | 1,334,249 |
| Subtotal, Employee Benefits | $ 4,491,597 | $ 4,426,676 |
| TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES | $ 356,415,766 | $ 355,848,126 |

## RECAPITULATION - ARTICLE II
## HEALTH AND HUMAN SERVICES
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department on Aging | $ 67,717,301 | $ 68,779,047 |
| Commission on Alcohol and Drug Abuse | 133,693,782 | 131,525,222 |
| Commission for the Blind | 35,504,753 | 36,709,918 |
| Interagency Council on Early Childhood Intervention | 74,641,475 | 80,202,124 |
| Department of Health | 992,425,041 | 1,015,144,667 |
| Health and Human Services Commission | 6,135,823,765 | 6,008,272,435 |
| Department of Human Services | 2,988,646,748 | 2,797,636,324 |
| Department of Mental Health and Mental Retardation | 793,358,865 | 773,465,133 |
| Department of Protective and Regulatory Services | 580,560,686 | 608,247,552 |
| Rehabilitation Commission | 239,904,107 | 243,309,796 |
| Subtotal, Health and Human Services | $ 12,042,276,523 | $ 11,763,292,218 |
| Retirement and Group Insurance | 165,955,385 | 164,684,986 |
| Social Security and Benefit Replacement Pay | 64,760,098 | 64,903,740 |
| Subtotal, Employee Benefits | $ 230,715,483 | $ 229,588,726 |
| Bond Debt Service Payments | 2,362,984 | 2,361,154 |
| Subtotal, Debt Service | $ 2,362,984 | $ 2,361,154 |
| TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES | $ 12,275,354,990 | $ 11,995,242,098 |

## RECAPITULATION - ARTICLE II
## HEALTH AND HUMAN SERVICES
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Commission on Alcohol and Drug Abuse | $ 2,026,838 | $ 2,026,838 |
| Commission for the Blind | 274,149 | 274,149 |
| Commission for the Deaf and Hard of Hearing | 1,455,490 | 1,455,490 |
| Rider Appropriations | 10,000 | 10,000 |
| Total | 1,465,490 | 1,465,490 |
| Interagency Council on Early Childhood Intervention | 13,009,485 | 16,598,102 |
| Department of Health | 52,671,644 | 24,796,937 |
| Health and Human Services Commission | 121,758,538 | 100,996,082 |
| Department of Human Services | 48,347,477 | 32,703,580 |
| Department of Mental Health and Mental Retardation | 115,484,755 | 123,997,680 |
| Department of Protective and Regulatory Services | 16,653,414 | 16,653,414 |
| Rehabilitation Commission | 1,509,747 | 1,621,247 |
| Subtotal, Health and Human Services | $ 373,201,537 | $ 321,133,519 |
| Bond Debt Service Payments | 467,850 | 469,090 |
| Subtotal, Debt Service | $ 467,850 | $ 469,090 |
| Less Interagency Contracts | $ 95,504,878 | $ 100,186,745 |
| TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES | $ 278,164,509 | $ 221,415,864 |

# RECAPITULATION - ARTICLE II
# HEALTH AND HUMAN SERVICES
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department on Aging | $ 74,906,685 | $ 75,968,430 |
| Commission on Alcohol and Drug Abuse | 162,675,953 | 160,507,393 |
| Commission for the Blind | 48,225,421 | 49,429,335 |
| Cancer Council | 3,545,039 | 3,545,039 |
| Commission for the Deaf and Hard of Hearing | 2,506,710 | 2,506,711 |
| Rider Appropriations | 120,000 | (100,000) |
| Total | 2,626,710 | 2,406,711 |
| Interagency Council on Early Childhood Intervention | 120,070,653 | 129,219,918 |
| Department of Health | 1,717,716,073 | 1,723,447,667 |
| Health and Human Services Commission | 9,660,664,093 | 9,474,212,561 |
| Department of Human Services | 4,859,039,887 | 4,529,615,925 |
| Department of Mental Health and Mental Retardation | 2,032,493,108 | 1,972,748,297 |
| Department of Protective and Regulatory Services | 878,546,139 | 923,801,998 |
| Rehabilitation Commission | 292,140,701 | 295,657,892 |
| Subtotal, Health and Human Services | $ 19,852,650,462 | $ 19,340,561,166 |
| Retirement and Group Insurance | 355,070,211 | 351,770,603 |
| Social Security and Benefit Replacement Pay | 132,408,216 | 132,150,017 |
| Subtotal, Employee Benefits | $ 487,478,427 | $ 483,920,620 |
| Bond Debt Service Payments | 19,840,463 | 24,133,646 |
| Lease Payments | 7,449,926 | 7,455,848 |
| Subtotal, Debt Service | $ 27,290,389 | $ 31,589,494 |
| Less Interagency Contracts | $ 95,504,878 | $ 100,186,745 |
| TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES | $ 20,271,914,400 | $ 19,755,884,535 |
| Number of Full-Time-Equivalent Positions (FTE) | 48,588.9 | 48,797.8 |

# ARTICLE III

# EDUCATION

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

## TEXAS EDUCATION AGENCY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROGRAM LEADERSHIP<br>To fulfill the promise for all Texas children, the Texas Education Agency will provide program leadership to the state public education system, ensuring all students achieve the state's public education goals and objectives. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Students Completing High School | 94.2% | 94.5% |
| Percent of African-American Students Completing High School | 91.8% | 91.8% |
| Percent of Hispanic Students Completing High School | 91.8% | 91.8% |
| Percent of White Students Completing High School | 96.9% | 96.9% |
| Percent of Asian-American Students Completing High School | 97.1% | 97.2% |
| Percent of Native American Students Completing High School | 92% | 92.3% |
| Percent of Economically Disadvantaged Students Completing High School | 90.3% | 90.5% |
| Percent of Equalized Revenue in the Foundation School Program | 98% | 98% |
| Percent of Students in Districts with Substantially Equal Access to Revenues | 85% | 85% |
| Percent of Students Graduating under the Recommended or Distinguished Achievement High School Program | 54% | 57% |
| Percent of Students with Auditory Impairment in Regional Day Schools for the Deaf Who Graduate from High School | 93% | 94% |
| Percent of Students with Disabilities Who Complete High School | 91% | 92% |
| Percent of Eligible Students Taking Advanced Placement/International Baccalaureate Exams | 19% | 22% |
| Percentage of AP/IB Exams Taken on Which the Score Qualifies for College Credit or Advanced Placement | 58% | 59% |
| Percent of Students Exiting Bilingual/English as a Second Language Programs Successfully | 70% | 71% |
| Percent of Students Retained in Grade 3 | 2.7% | 2.6% |
| Percent of Students Retained in Grade | 5.4% | 5.4% |
| Percent of Districts Receiving After-School Initiative Funds Which Demonstrate a Decrease in DAEP Referrals | 62% | 64% |
| Percent of Students in State-funded Optional Extended-year Programs Promoted to the Next Grade Level as a Result of the Program | 90% | 91% |
| Percent of Adult Learners Who Complete the Level in Which They Are Enrolled | 66% | 68% |
| Percent of Campuses Receiving Investment Capital Fund Grants Which Demonstrate Texas Learning Index Growth in Reading | 76% | 78% |
| Percent of Parents Participating in AVANCE Programs Who Complete the Adult Education Level at Which They Are Enrolled | 61% | 63% |
| **A.1.1. Strategy:** FSP - EQUALIZED OPERATIONS<br>Ensure all Texas students graduate from high school with a world-class education funded by an efficient and equitable school finance | $ 10,101,531,107 | $ 9,419,131,107 |

| | | | | |
|---|---|---|---|---|
| system; ensure that formula allocations support the state's public education goals and objectives and are accounted for in an accurate and appropriate manner. | | | | |
| **Output (Volume):** | | | | |
| Total Average Daily Attendance (ADA) | | 4,010,155 | | 4,091,464 |
| Total Average Daily Attendance (ADA) of Open-enrollment Charter Schools | | 52,328 | | 56,431 |
| Number of Students Served by Compensatory Education Programs and Services | | 1,679,600 | | 1,712,900 |
| **Explanatory:** | | | | |
| Special Education Full-time Equivalents (FTEs) | | 168,244 | | 171,313 |
| Compensatory Education Average Daily Attendance | | 2,138,793 | | 2,181,568 |
| Career and Technology Education Full-time Equivalents (FTEs) | | 175,487 | | 180,751 |
| Bilingual Education/English as a Second Language Average Daily Attendance | | 523,976 | | 544,935 |
| Gifted and Talented Average Daily Attendance | | 198,042 | | 201,907 |
| **A.1.2. Strategy:** FSP - EQUALIZED FACILITIES | $ | 700,000,000 | $ | 680,000,000 |
| Operate an equalized school facilities program by ensuring the allocation of a guaranteed yield of existing debt and disbursing facilities funds. | | | | |
| **Output (Volume):** | | | | |
| Number of Districts Receiving IFA | | 410 | | 410 |
| Total Amount of State and Local Funds Allocated for Debt for Facilities (Billions) | | 2.2 | | 2.2 |
| **A.2.1. Strategy:** ACADEMIC EXCELLENCE | $ | 200,644,607 | $ | 200,644,607 |
| Plan and implement challenging academic, advanced academic, career and technology education, and bilingual/English as a second language educational programs to ensure that all Texas students graduate from high school with a world-class education. | | | | |
| **Output (Volume):** | | | | |
| Number of Students in Tech-prep Programs | | 105,000 | | 110,000 |
| Number of Students Served in Summer School Programs for Limited English-proficient Students | | 42,500 | | 43,000 |
| **A.2.2. Strategy:** STUDENT SUCCESS | $ | 312,152,150 | $ | 312,152,150 |
| Build the capacity of school districts to ensure that all Texas students have the skills they need to succeed; that all third grade students read at least at grade level and continue to read at grade level; and that all secondary students have sufficient credit to advance and ultimately graduate on time with their class. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Served by the Kindergarten and Prekindergarten Grant Programs | | 48,000 | | 48,000 |
| Number of Students Participating in the Student Success Initiative Accelerated Reading Program | | 440,000 | | 480,000 |
| **A.2.3. Strategy:** ACHIEVEMENT OF STUDENTS AT RISK | $ | 950,472,385 | $ | 950,472,385 |
| Develop and implement instructional support programs that take full advantage of flexibility to support student achievement and ensure that all at-risk students graduate from high school with a world-class education. | | | | |
| **Output (Volume):** | | | | |
| Number of Title I Campuses Rated Exemplary or Recognized | | 832 | | 1,199 |
| **A.2.4. Strategy:** STUDENTS WITH DISABILITIES | $ | 763,412,393 | $ | 767,001,010 |
| Develop and implement programs that ensure all students with disabilities graduate from high school with a world-class education. | | | | |

| | | |
|---|---|---|
| **Output (Volume):** | | |
| Number of Students Served by Regional Day Schools for the Deaf | 4,600 | 4,630 |
| Number of Students Served by Statewide Programs for the Visually Impaired | 7,289 | 7,466 |
| **A.2.5. Strategy:** SCHOOL IMPROVEMENT & SUPPORT PGMS | $ 153,012,172 | $ 153,012,172 |
| Encourage educators, parents, community members, and university faculty to improve student learning and develop and implement programs that meet student needs. Develop and implement the support programs necessary for all students to graduate from high school with a world-class education. | | |
| **Output (Volume):** | | |
| Number of Pregnant Teens and Teen Parents Served by Teen Pregnancy and Parenting Programs | 15,472 | 15,472 |
| Number of Districts Receiving After-school Initiative Funds | 45 | 45 |
| Number of Students Served by State-funded Optional Extended-year Programs | 200,000 | 210,000 |
| **Explanatory:** | | |
| Number of Open Enrollment Charter Schools | 219 | 221 |
| **A.2.6. Strategy:** ADULT EDUCATION & FAMILY LITERACY | $ 67,616,292 | $ 68,016,292 |
| Develop adult education and family literacy programs that encourage literacy and ensure that all adults have the basic education skills they need to contribute to their families, communities, and the world. | | |
| **Output (Volume):** | | |
| Number of Students Served through State Adult Education Cooperatives | 160,000 | 165,000 |
| **Total, Goal A:** PROGRAM LEADERSHIP | $ 13,248,841,106 | $ 12,550,429,723 |

**B. Goal:** OPERATIONAL EXCELLENCE
The Texas Education Agency will fulfill the promise for all Texas children through challenging assessments, supportive school environments, and high standards of student, campus, district, and agency performance.

| | | |
|---|---|---|
| **Outcome (Results/Impact):** | | |
| Percent of Students Passing All Tests Taken | 76% | 78% |
| Percent of African-American Students Passing All Tests Taken | 68% | 71% |
| Percent of Hispanic Students Passing All Tests Taken | 68% | 71% |
| Percent of White Students Passing All Tests Taken | 84% | 86% |
| Percent of Asian-American Students Passing All Tests Taken | 84% | 86% |
| Percent of Native American Students Passing All Tests Taken | 79% | 81% |
| Percent of Economically Disadvantaged Students Passing All Tests Taken | 68% | 71% |
| Percent of Students Reading at Grade Level (3rd Grade Only) | 88% | 89% |
| Percent of Students Passing TAKS Reading | 83% | 85% |
| Percent of Students Passing TAKS Mathematics | 84% | 86% |
| Percent of Students Whose Assessment Results Are Included in the Accountability System | 87% | 90% |
| Percent of Special Education Students Who Are Tested and Included in the Accountability System | 87% | 87% |
| Percent of Limited English-proficient Students Who Are Tested and Included in the Accountability System | 75% | 75% |
| Annual Statewide Dropout Rate for All Students | 1.1% | 1.1% |
| Percent of Students Who Drop Out of the Public School System between the Seventh and Twelfth Grades | 6.3% | 6.3% |
| Percent of Districts Rated Exemplary or Recognized | 6% | 14% |
| Percent of Campuses Rated Exemplary or Recognized | 10% | 20% |

| | | | | |
|---|---|---|---|---|
| Percent of Districts Rated Academically Unacceptable in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year | | NA | | 90% |
| Percent of Campuses Rated Low-performing in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year | | NA | | 80% |
| Percent of Charter Schools Rated Low-performing | | 30% | | 25% |
| Percent of Districts Rated as High-risk in the Program Analysis System (PAS) the Prior Year That Improve Their Rating in the Current Year | | 82% | | 83% |
| Annual Drug Use and Violence Incident Rate on School Campuses, Per 1,000 Students | | 22 | | 20 |
| Percent of DAEPs Meeting All Acountability Standards | | 70% | | 75% |
| Percent of Incarcerated Students Who Complete the Level in Which They Are Enrolled | | 44% | | 44% |
| Percent of Eligible Windham Inmates Who Have Been Served by a Windham Education Program during the Past Five Years | | 85% | | 85% |
| Percent of Grant Applications Processed within 60 Days | | 58% | | 63% |
| Percent of School District Annual Textbook Orders Processed by May 31 | | 85% | | 89% |
| **B.1.1. Strategy:** ASSESSMENT & ACCOUNTABILITY SYSTEM | $ | 45,412,841 | $ | 45,412,841 |
| The state's assessment and accountability systems will continue to provide a basis for evaluation and reporting the extent to which students, campuses, and districts achieve high standards. | | | | |
| **B.2.1. Strategy:** INSTRUCTIONAL MATERIALS | $ | 461,949,000 | $ | 221,800,000 & UB |
| Provide students equitable access to instructional materials and technologies supporting the Texas Essential Knowledge and Skills. | | | | |
| **Output (Volume):** | | | | |
| Number of Textbooks and Digital Content Purchased from Conforming Lists | | 5,530,000 | | 6,440,000 |
| Number of Textbooks and Digital Content Purchased from Nonconforming Lists | | 113,000 | | 131,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Textbook and Digital Content Purchased | | 43.68 | | 43.68 |
| **B.2.2. Strategy:** EDUCATIONAL TECHNOLOGY | $ | 49,754,900 | $ | 49,754,900 |
| Implement educational technologies that increase the effectiveness of student learning, instructional management, professional development, and administration. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Receiving Course Credit through Distance Learning | | 7,500 | | 7,500 |
| **B.2.3. Strategy:** SAFE SCHOOLS | $ | 51,341,105 | $ | 51,683,727 |
| Reduce the number of criminal incidents on school campuses, enhance school safety, and ensure that students in the Texas Youth Commission and disciplinary and juvenile justice alternative education programs are provided the instructional and support services needed to graduate from high school with a world-class education. | | | | |
| **Output (Volume):** | | | | |
| Number of Students in Disciplinary Alternative Education Programs (DAEPs) | | 90,000 | | 90,000 |
| **B.2.4. Strategy:** CHILD NUTRITION PROGRAMS | $ | 878,891,098 | $ | 903,891,098 |
| Implement and support efficient state child nutrition programs. | | | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Average Number of School Lunches Served Daily | | 2,534,364 | | 2,610,395 |
| Average Number of School Breakfasts Served Daily | | 1,103,510 | | 1,147,651 |
| **B.2.5. Strategy:** WINDHAM SCHOOL DISTRICT | $ | 56,569,745 | $ | 56,569,745 |
| Work with the Texas Department of Criminal Justice to ensure that students have the basic education skills they need to contribute to their families, communities, and the world. | | | | |
| **Output (Volume):** | | | | |
| Number of Contact Hours Received by Inmates within the Windham School District | | 16,070,950 | | 16,070,950 |
| Number of Offenders Passing General Education Development (GED) Tests | | 4,326 | | 4,326 |
| **Efficiencies:** | | | | |
| Average Cost Per Contact Hour in the Windham School District | | 3.52 | | 3.52 |
| **B.3.1. Strategy:** TEACHING EXCELLENCE AND SUPPORT | $ | 285,225,233 | $ | 285,225,234 |
| Ensure educators have access to quality training tied to the Texas Essential Knowledge and Skills; develop and implement professional development initiatives that encourage P-16 partnerships. Ensure that the regional education service centers facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support based on the needs and objectives of the school districts they serve. | | | | |
| **Output (Volume):** | | | | |
| Number of Educators Receiving Education Service Center (ESC)-based Training in Technology | | 28,000 | | 28,000 |
| Number of Teachers Receiving Training in Dyslexia and Related Disorders Services | | 31,840 | | 31,840 |
| **B.3.2. Strategy:** AGENCY OPERATIONS | $ | 38,997,764 | $ | 38,997,764 |
| Develop and implement efficient and effective business processes and operations that support the state's goals for public education and ensure all Texas students graduate from high school with a world-class education. | | | | |
| **Output (Volume):** | | | | |
| Number of Campuses Investigated for Exemption Rates | | 84 | | 84 |
| Number of Complaint Investigations Conducted | | 1,700 | | 1,700 |
| Amount of Available School Fund Income (Millions) | | 736 | | 746 |
| Number of Certificates of High School Equivalency (GED) Issued | | 46,612 | | 47,078 |
| Number of Special Education Campuses and Programs Receiving Onsite Monitoring Visits | | 1,075 | | 1,100 |
| **Efficiencies:** | | | | |
| Average Cost of Accreditation Onsite Review | | 4,000 | | 4,200 |
| Performance in Excess of Assigned Benchmark Net of Fees (External Managers) | | 107% | | 107% |
| Performance in Excess of Assigned Benchmark (Internal Managers) | | 105% | | 105% |
| **Explanatory:** | | | | |
| Average Percent Equity Holdings in the Permanent School Fund (PSF) | | 55% | | 55% |
| Market Value of the Permanent School Fund (Billions) | | 18 | | 18.5 |
| **B.3.3. Strategy:** CENTRAL ADMINISTRATION | $ | 10,721,794 | $ | 10,721,794 |
| The Commissioner of Education shall serve as the educational leader of the state. | | | | |

| | | |
|---|---|---|
| **B.3.4. Strategy:** INFORMATION SYSTEMS - TECHNOLOGY<br>The Texas Education Agency will purchase, develop, and implement information systems that support students, educators, and stakeholders. | $ 12,093,409 | $ 11,389,710 |
| **Total, Goal B:** OPERATIONAL EXCELLENCE | $ 1,890,956,889 | $ 1,675,446,813 |
| **Grand Total,** TEXAS EDUCATION AGENCY | $ 15,139,797,995 | $ 14,225,876,536 |
| **Method of Financing:** | | |
| General Revenue Fund | | |
| General Revenue Fund | $ 168,452,940 | $ 167,986,639 |
| Available School Fund No. 002, estimated | 1,093,644,800 | 1,358,135,399 |
| State Textbook Fund No. 003, estimated | 344,380,200 | 102,203,599 |
| Foundation School Fund No. 193, estimated | 8,229,847,208 | 7,145,389,501 |
| GED Fees | 470,802 | 465,803 |
| GR MOE for Temporary Assistance for Needy Families | 2,000,000 | 2,000,000 |
| Earned Federal Funds | 3,112,953 | 3,056,154 |
| Lottery Proceeds, estimated | 804,101,000 | 781,544,000 |
| Subtotal, General Revenue Fund | $ 10,646,009,903 | $ 9,560,781,095 |
| General Revenue Fund - Dedicated | | |
| Read to Succeed Account No. 5027 | 42,960 | 42,960 |
| Telecommunications Infrastructure Fund No. 345 | 119,700,000 | 121,800,000 |
| Subtotal, General Revenue Fund - Dedicated | $ 119,742,960 | $ 121,842,960 |
| Federal Funds | | |
| Federal Funds | 6,100,000 | 6,500,000 |
| Federal Health, Education and Welfare Fund No. 148 | 2,390,130,170 | 2,390,130,172 |
| Federal School Lunch Fund No. 171 | 866,985,109 | 891,985,109 |
| Subtotal, Federal Funds | $ 3,263,215,279 | $ 3,288,615,281 |
| Other Funds | | |
| Appropriated Receipts (Redistributed Local Revenue), estimated | 1,110,829,853 | 1,254,637,200 |
| Subtotal, Other Funds | $ 1,110,829,853 | $ 1,254,637,200 |
| **Total, Method of Financing** | $ 15,139,797,995 | $ 14,225,876,536 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 735.5 | 735.5 |
| **Schedule of Exempt Positions:** | | |
| Commissioner, Group 6 | $164,748 | $164,748 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 27,594,406 | $ 27,673,968 |
| Other Personnel Costs | 570,404 | 567,517 |
| Operating Costs | 4,239,970 | 3,590,995 |
| Professional Fees and Services | 74,865,139 | 74,865,139 |
| Fuels and Lubricants | 611 | 611 |
| Consumable Supplies | 1,352,819 | 1,350,934 |
| Utilities | 230,988 | 229,315 |

| | | |
|---|---|---|
| Travel | 1,401,622 | 1,400,157 |
| Rent - Building | 697,414 | 694,892 |
| Rent - Machine and Other | 1,591,932 | 1,552,386 |
| Other Operating Expense | 355,617,757 | 113,307,363 |
| Client Services | 1,485,000 | 1,485,000 |
| Grants | 14,668,969,637 | 13,998,000,877 |
| Capital Expenditures | 1,180,296 | 1,157,382 |
| **Total, Object-of-Expense Informational Listing** | $ 15,139,797,995 | $ 14,225,876,536 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Acquisition of Information Resource Technologies | | |
| (1) Mainframe, Servers and Client Infrastructure | $ 4,759,150 | $ 3,893,850 |
| Total, Capital Budget | $ 4,759,150 | $ 3,893,850 |

Method of Financing (Capital Budget):

| | | |
|---|---|---|
| General Revenue Fund | $ 1,290,300 | $ 1,055,700 |
| Available School Fund No. 002 | 1,164,350 | 952,650 |
| State Textbook Fund No. 003 | 151,800 | 124,200 |
| Federal Health, Education and Welfare Fund No. 148 | 1,366,200 | 1,117,800 |
| Federal School Lunch Fund No. 171 | 151,800 | 124,200 |
| Foundation School Fund No. 193 | 404,800 | 331,200 |
| GED Fees | 27,500 | 22,500 |
| Earned Federal Funds | 202,400 | 165,600 |
| Total, Method of Financing | $ 4,759,150 | $ 3,893,850 |

2. **Chapter 42 Formula Funding.** Out of the funds appropriated above, a total of $10,958,356,298 in fiscal year 2004 and $10,259,544,915 in fiscal year 2005 shall represent the sum-certain appropriation to the Foundation School Program under § 42.253 and under Chapter 46 of the Texas Education Code. (The total appropriation may not exceed the sum-certain amount.) The Commissioner shall make allocations to local school districts under § 42.253 and under Chapter 46 based on the March 2003 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the Final 2002 property values. Property values shall be increased by 4.98 percent for 2005, as estimated by the Comptroller of Public Accounts.

   Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.1.1, Foundation School Program-Equalized Operations, and Strategy A.1.2, Foundation School Program-Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor of any such transfers.

3. **Transportation Cost Allotment.** Pursuant to § 42.155 of the Texas Education Code, the appropriation for funding regular transportation programs for the 2003–04 and 2004–05 school years shall be calculated on the following basis:

| Linear Density Grouping | Allocation Per Mile of Approved Route |
|---|---|
| 2.40 and above | $1.43 |
| 1.65 to 2.40 | 1.25 |
| 1.15 to 1.65 | 1.11 |
| .90 to 1.15 | .97 |
| .65 to .90 | .88 |
| .40 to .65 | .79 |
| up to .40 | .68 |

Pursuant to § 42.155 of the Texas Education Code, the maximum mileage rate for special education transportation shall be $1.08 per mile. Private transportation rates shall be $0.25 per mile or a maximum of $816 per pupil for both special education and isolated areas as defined in sub-sections 42.155(g) and 42.155(e).

4. **Education Service Centers.** The Commissioner shall furnish reports as required by § 8.102 of the Texas Education Code to the State Board of Education for transmittal, along with recommendations for change, modification, or improvement, to the Legislative Budget Board and the Governor. Regional Education Service Centers shall be prohibited from purchasing land and acquiring buildings without prior authorization from the Commissioner of Education.

5. **Windham Schools.** The funds appropriated above in Strategy B.2.5, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. The Commissioner of Education shall allocate funds to the Windham Schools based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2004–05 biennium are the following: $3.97558 for academic education, $3.24582 for vocational education.

6. **Audit Adjustments.** When reviews and audits of allocations to school districts reveal the allocations previously made were greater or less than the amounts found to be due, the Texas Education Agency is authorized to recover or pay the sums necessary to adjust to the correct amounts. All such amounts recovered shall become a part of the Foundation School Fund or General Revenue Fund, and the amounts necessary to make such additional payments to the school districts are hereby appropriated from the Foundation School Fund or General Revenue Fund.

7. **State Textbook Fund.** Any amount expended for Textbook Administration, including new textbooks, rebinding, and other related expenses, shall be paid out of the State Textbook Fund. A transfer of funds from the Available School Fund to the State Textbook Fund is authorized in an amount which, together with other revenues of the State Textbook Fund, is sufficient to finance the sum-certain appropriation from the State Textbook Fund for each fiscal year. Penalties assessed by the State Board of Education shall be deposited to the credit of the Textbook Fund.

8. **Day-care Expenditures.** It is expressly provided that the pre-school day care programs, such as the Early Childhood Program for Educationally Disadvantaged Children and Special Education and Training for Pre-School Children with Disabilities administered by the Texas Education Agency, are day-care programs. The funds expended in those programs on behalf of children

meeting eligibility requirements in accordance with interagency contracts with the Texas Education Agency under the day care program of the Social Security Act shall be considered as expenditures for day care.

9. **Loss Due to Property Value Decline.**

   a. The Commissioner of Education is authorized to distribute no more than $26,000,000 in each fiscal year under § 42.2521 of the Texas Education Code, to the extent that excess funds are available under the Foundation School Program.

      It is the intent of the Legislature that, in expending these funds by making adjustments in the local share under § 42.2521, that the Commissioner shall consider only the amount of property value decline in each school district that is in excess of 4 percent in taxable values.

   b. Except as expressly provided by this rider, and notwithstanding the limitations in Rider 34, Limitation: Transfer Authority, none of the funds in this rider may be expended for any other purpose.

   c. It is the intent of the Legislature that any excess funds available under the Foundation School Program be applied first to fund adjustments under § 42.2521 of the Texas Education Code, second to fund adjustments under § 42.2522, and third to fund adjustments under § 42.2531.

10. **Training Programs for School Personnel and Parents of Students with Autism.** It is the intent of the Legislature that the Texas Education Agency continue to implement a program of professional development for school personnel and parents of students with autism. A sum not to exceed $50,000 in each fiscal year shall be expended for this purpose.

11. **Student Testing Program.** In accordance with the provisions of § 42.152 and Chapter 39, Subchapter B of the Texas Education Code, the funds appropriated from the Foundation School Fund for the compensatory education allotment may be used to cover the cost of preparing, administering and grading assessment instruments in the student testing program. The expenditure of such funds shall not be subject to the limitation in Rider 34, Limitation: Transfer Authority.

12. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

    a. Educational Technology Advisory Committee
    b. Environmental Education Advisory Committee
    c. Investment Advisory Committee on the Permanent School Fund
    d. State Textbook Committee
    e. Charter School Application Review Committee
    f. Title 1, Committee of Practitioners
    g. Continuing Advisory Committee for Special Education
    h. Ed Flex State Panel
    i. Adult Education Accountability Task Force
    j. Communities in Schools Advisory Committee

    None of the funds appropriated in this Act may be used to reimburse any other advisory committee of the Texas Education Agency unless the Commissioner of Education notifies the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board in writing that a specific advisory committee is essential to the mission of the Texas Education Agency

pursuant to Texas Education Code § 7.055(b)(11). It is the intent of the Legislature that advisory committees of the Texas Education Agency use videoconferencing technology to conduct meetings in lieu of physical assembly whenever possible.

13. **Limits on Allocations and Expenditures.** Except as explicitly allowed elsewhere in this Act, the Commissioner shall not contract with Regional Education Service Centers to administer all or part of General Revenue-funded programs or services without prior approval from the Governor and the Legislative Budget Board. The Commissioner shall submit to the Governor and Legislative Budget Board for review a summary of the programs and services to be transferred and the funding level associated with the proposed transfer. No funds transferred to Regional Education Service Centers or to school districts may be used to hire a registered lobbyist.

14. **Regional Day Schools for the Deaf.** Funds appropriated above for Regional Day Schools for the Deaf shall be allocated on a weighted full time equivalent basis. Notwithstanding other provisions of this Act, if the allocations total more than $33,133,200 in each year, the Commissioner shall transfer sufficient amounts from other available funds to provide the full allocation.

15. **Summer School for Children with Limited English Proficiency.** Out of federal funds appropriated for Strategy A.2.1, Academic Excellence, $3,800,000 in each fiscal year is allocated for summer school programs for children with limited English proficiency as authorized under § 29.060 of the Texas Education Code.

16. **Engineering and Science Recruitment Fund.** Out of funds appropriated for Strategy A.2.1, Academic Excellence, $394,920 in each fiscal year is allocated to the Engineering and Science Recruitment Fund for programs outlined in Subchapter M of Chapter 51 of the Texas Education Code.

17. **Statewide Services for Students With Visual Impairments.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, $6,005,267 in each fiscal year is allocated for statewide services for students with visual impairments as authorized under § 30.002 of the Texas Education Code.

18. **Non-educational Community-based Support Services.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, $987,300 in each fiscal year is allocated for non-educational community-based support services for certain students with disabilities as authorized under § 29.013 of the Texas Education Code.

19. **Professional Development for Serving Students with Disabilities in Integrated Settings.** Out of the federal discretionary funds awarded to the Texas Education Agency through the Individuals with Disabilities Education Act (IDEA), Part B and appropriated above, the Commissioner shall set aside 10.5 percent during the biennium to fund capacity building projects, including follow-up professional development and support, for school districts to serve students with disabilities in integrated settings.

20. **Appropriation for State Schools.** Out of General Revenue related funds appropriated above in Strategy A.2.4, Students with Disabilities, an amount not to exceed $110,000 in each fiscal year is allocated for payments to state operated schools under §§ 30.025 and 30.056 of the Texas Education Code.

21. **Estimated Appropriation for Incentive Aid.** Out of General Revenue related funds appropriated above in Strategy A.2.5, School Improvement and Support Programs, an estimated amount of $600,000 in each fiscal year is allocated for incentive aid payments under Subchapter G of Chapter 13 of the Texas Education Code.

22. **Payments to Texas School for the Blind and Visually Impaired and Texas School for the Deaf.** Pursuant to § 30.003(g) of the Texas Education Code, the State Board of Education shall adopt rules that ensure that all local school districts whose students are placed at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall share in the cost of each student's education as required by § 30.003(a). It is the intent of the Legislature that school districts subject to Chapter 41, Texas Education Code, reimburse the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf from the General Operating Fund of those districts within 60 days of receipt of a voucher from the receiving school.

23. **Notification of Changed Accreditation Status.** At the time a school district is notified of a change in its accreditation status, the Texas Education Agency shall also notify the State Senators and Representatives that represent the affected school district.

24. **Permanent School Fund.** In its annual report on the Permanent School Fund, completed by February 28 of each year, the Texas Education Agency shall report on the actual and projected costs of administering the Permanent School Fund for the year covered by the report and the following three years.

25. **Texas Advanced Placement Incentive Program.** Out of the funds appropriated above in Strategy A.2.1, Academic Excellence, $13,500,000 in fiscal year 2004 and $13,500,000 in fiscal year 2005 is allocated for both the pre-Advanced Placement/International Baccalaureate activities and for the Advanced Placement Incentive Program. Any balances on August 31, 2004 are appropriated for the 2005 fiscal year. The expenditure of such funds shall not be subject to the limitations in Rider 34, Limitation: Transfer Authority.

    For funds allocated by this rider that are used for teacher training, the Texas Education Agency shall give funding priority to teachers at public school campuses that do not offer Advanced Placement/International Baccalaureate courses.

    It shall be the goal of the Texas Education Agency that Advanced Placement/International Baccalaureate courses are available at as many public school campuses as possible, without regard to the rural/urban status of the campus and the socioeconomic characteristics of its students.

26. **Communities in Schools.** Out of the funds appropriated above for Strategy A.2.5, School Improvement and Support Programs, $12,788,865 shall be set aside out of State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Department of Protective and Regulatory Services for the Communities in Schools Program.

27. **Investment Capital Fund.** Out of funds appropriated above in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall allocate an amount not less than $6,125,000 in each year of the biennium to the Investment Capital Fund. Of that total, $3,500,000 in each year shall be set aside from State Compensatory Education Funds and $2,625,000 in each year shall be allocated directly from the Foundation School Program. Grants made pursuant to this rider are subject to the provisions contained in § 7.024 of the Texas Education Code, and grants may only be made to entities that meet the criteria set forth in that section. Subject to Texas Education Code § 7.024, eligible partners may include, but are not limited to, the Alliance Organizations, AVANCE, Do Something, Communities in Schools, Area Interfaith, and One Community/One Child. Any unexpended balances in fiscal year 2004 are appropriated for fiscal year 2005.

28. **Extended Year Programs.** Out of Foundation School Program Compensatory Education Funds appropriated in Strategy A.2.5, School Improvement and Support Programs, the Commissioner

shall distribute an amount not to exceed $58,151,500 in 2004 and $58,151,500 in 2005 to finance extended year programs under § 42.152(p), Texas Education Code.

29. **Allocation of Funds to South Texas Independent School District.** Out of funds appropriated above for Strategy A.1.1, Foundation School Program - Equalized Operations, the Commissioner of Education shall withhold an amount sufficient to provide the South Texas Independent School District with adequate access to funding under Tier 2 of the Foundation School Program. The Commissioner shall adjust payments to the South Texas Independent School District to equal an amount to which the district would be entitled at the average effective tax rate in other school districts in Cameron County less the tax rate set by the district itself.

30. **Appropriation of Settle-Up Funds.** All funds received from local school districts as recovery for overpayment pursuant to the provisions of § 42.258 of the Texas Education Code are hereby appropriated to the Texas Education Agency for distribution to local school districts for Foundation School Program purposes.

31. **Appropriation of Attendance Credit Revenues.** All unexpended balances and all funds received from the payment of school districts for attendance credits in excess of the amounts appropriated above pursuant to the provisions of § 41.094 of the Texas Education Code, are hereby appropriated to the Texas Education Agency for distribution to school districts for Foundation School Program purposes.

32. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that, for the following fee-supported programs, fees, fines, and other miscellaneous revenues as authorized and generated by the Texas Education Agency cover, at a minimum, the cost of the appropriations made to support the programs, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $491,400 in fiscal year 2004 and $524,786 in fiscal year 2005 including employee matching costs and other indirect operating costs:

    Guaranteed Program for School District Bonds
    General Education Development (GED)
    Driver Training
    Motor Vehicle Registration Fees (Read to Succeed License Plates)

    All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate are hereby appropriated to the Texas Education Agency.

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

33. **Permanent School Fund: External Management Fees.** Out of the funds appropriated above from the Available School Fund to Strategy B.3.2, Agency Operations, $3,500,000 in fiscal year 2004 and $3,500,000 in fiscal year 2005 are allocated for fees for external management of Permanent School Fund assets. These funds shall not be used for any other purpose, with the exception that the funds may be used, upon prior notification to the Legislative Budget Board and the Governor, for internal costs related to Permanent School Fund management.

    Appropriations for external management costs may only be expended if the board awards contracts for external management services on an open, formal request for proposal process which gives consideration to both performance and price.

34. **Limitation: Transfer Authority.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Program Leadership and Goal B, Operational Excellence, Strategies B.1.1.–B.3.1. may be transferred to Goal B, Strategies B.3.2.–B.3.4.

    None of the funds appropriated to the Texas Education Agency for the purpose of funding the Foundation School Program under Chapter 42 and 46, Texas Education Code, may be transferred to any other item of appropriation or expended for any other purpose unless the Commissioner of Education provides written notice to the Legislative Budget Board and to the Governor of intent to transfer such funds at least fourteen days prior to the execution of the transfer. Such transfers from the Foundation School Program to other items of appropriation shall not exceed $10 million in each fiscal year of the 2004–05 biennium. Any unexpended and unencumbered balances remaining after the last day of a fiscal year in any of the appropriations made for a purpose described by this provision shall lapse and accrue to the benefit of the unappropriated balance of the General Revenue Fund after taking into account the "settle-up" provision found in § 42.253 (i), Texas Education Code.

    To the extent necessary to avoid reductions in state aid as authorized by § 42.253(h), Texas Education Code, the Commissioner of Education is authorized to transfer Foundation School Program funds from fiscal year 2005 to fiscal year 2004. Such transfers are subject to prior approval by the Governor and the Legislative Budget Board. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section. Such transfers shall not exceed $150 million.

35. **Additional Funding Sources.** If the appropriations provided by this Act for the Foundation School Program are not sufficient to provide for expenditures for enrollment growth, district tax rate or taxable value of property, after accounting for any other appropriations made to the TEA and available for transfer for this purpose, the Legislative Budget Board and the Governor may provide for, and are hereby authorized to direct, the transfer of sufficient amounts of funds to the TEA from appropriations made elsewhere in this Act.

36. **Reduction in Districts Tier One Allotment.** To fund appropriations for programs from compensatory education allotments, the Commissioner of Education shall reduce each district's tier one allotment. The reductions shall be made in the same manner as described for a reduction in allotments under § 42.253, Education Code, and the Commissioner shall allocate funds to each district accordingly.

37. **Disciplinary Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, there is hereby allocated the amount of $5,000,000 for each year of the biennium for safe schools programs under Texas Education Code § 37.008.

38. **Funding for Juvenile Justice Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, $7,500,000 in 2004 and $7,500,000 in 2005 shall be set aside from the Compensatory Education Allotment in each year and transferred to the Juvenile Probation Commission for the support of Juvenile Justice Alternative Education Programs. This set-aside shall not effect the calculation of the number of students in weighted average daily attendance under Texas Education Code § 42.302.

39. **FSP Funding for the Texas Youth Commission.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, the Texas Education Agency shall allocate to the Texas Youth Commission the basic allotment of the Foundation School Program minus the amounts allocated to the commission pursuant to Texas Education Code § 30.102 (a) for each student in average daily attendance. These amounts are estimated to be $10,510,777 in fiscal year 2004 and $10,853,399 in fiscal year 2005. This transfer shall not be subject to the limitation in Rider 34, Limitation: Transfer Authority.

40. **Early Childhood Education and Care Coordination.** It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes but is not limited to participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

41. **Guaranteed Yield Level.** In accordance with Chapter 42, Subchapter F, Texas Education Code, Guaranteed Yield Program (Tier Two), § 42.302, the guaranteed level per weighted student per cent of tax effort is hereby set at $27.61 in 2004 and $28.48 in 2005.

42. **Regional Education Service Center Dyslexia and Related Disorders Coordinators.** It is the intent of the Legislature that each Regional Education Service Center establish a coordinator for dyslexia and related disorders services pursuant to § 38.003 of the Texas Education Code. Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner of Education may direct $150,000 in each year of the biennium to assist in the funding of such coordinators.

43. **School Improvement and Parental Involvement Initiative.** Out of the funds appropriated above in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall allocate $850,000 in each year of the 2004-05 biennium to the AVANCE family support and education program.

44. **Special Foundation School Program Payments.** The Texas Academy of Leadership in Humanities is entitled to Foundation School Program (FSP) allotments for each student enrolled in the academy as if it were a school district, except that the local share applied is equal to the Beaumont ISD's local share. The same methodology shall apply to the Texas Academy of Mathematics and Science with a local share equal to Denton ISD's and to the Seaborne Conservation Corps, with a local share equal to Galveston ISD's.

45. **Texas Reading and Math Initiatives.** Out of the funds appropriated above in Strategy A.2.2, Student Success, $11,760,978 in General Revenue Funds in 2004 and $11,760,979 in General Revenue Funds in 2005, with $8,078,571 in Federal Funds in 2004 and $8,078,572 in Federal Funds in 2005, shall be allocated to the Texas Reading and Math Initiatives. These funds shall be allocated in the following manner:

    a. Funds shall be distributed by the Commissioner for reading diagnostic instruments and on a competitive grant basis to be used by schools for the implementation of scientific, researched-based reading and mathematics programs, the purchase of additional instructional or diagnostic materials, necessary materials for libraries, instructional staff, or for related professional staff development for educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below-grade level reading skills.

    b. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B, Strategies B.1.1.–B.3.1, Teaching Excellence and Support.

    c. An amount not to exceed $1,000,000 in each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of nonconsumable materials to be used with any or all of the state adopted basal reading programs to enhance the systematic instruction of phonics in early reading (K-3). Priority will be given to districts that do not have reading specialists or staff to train teachers. The Commissioner will develop criteria for distribution of grant funds and for materials eligible for purchase.

    d. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.

46. **Funding for Tuition Credit Program.** Out of the funds appropriated above there is hereby transferred via interagency contract to the Texas Higher Education Coordinating Board an amount of funds, estimated to be $4,900,000 in each year of the biennium, from the Foundation School Fund sufficient to pay for the Early High School Graduation Scholarship Program, and tuition and fee exemptions in accordance with Texas Education Code, §§ 54.212 and 54.214.

47. **Texas Education Agency's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, maintain and appropriate the "Texas Education Agency's Revolving Account" to account for the expenditures, revenues, and balances of managing a full cost-recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Texas Education Agency within its accounting system. Any unobligated balances as of August 31, 2004, are reappropriated for the same use during fiscal year 2005. For the purpose of meeting cash flow needs, the Texas Education Agency may temporarily transfer funds from Strategy B.3.3, Central Administration, to the revolving account. Transfers must be returned by the end of the fiscal year.

48. **Certification of Pre-kindergarten Expenditures.** Out of the funds appropriated above in Strategy A.1.1, Foundation School Program - Equalized Operations, the Texas Education Agency shall certify each year of the biennium the maximum pre-kindergarten expenditures allowable under federal law as maintenance of effort for Temporary Assistance for Needy Families (TANF) and state match for the Child Care Development Fund.

49. **Texas After-School Initiative.** Out of the funds appropriated to Strategy A.2.5, School Improvement and Support Programs, $6,250,000 in 2004 and $6,250,000 in 2005 shall be allocated for the Texas After-School Initiative and may be expended in accordance with the following provisions:

    a. Funds shall be distributed by the Commissioner for after-school programs and on a competitive grant basis to be used by eligible school districts for the implementation of quality after-school programs serving students of middle school age. Funding shall be targeted to districts that correspond with certain high juvenile crime zip codes as identified by juvenile referral data gathered by the Texas Criminal Justice Policy Council. To be eligible for funding, districts must demonstrate that the after-school programs primarily serve students at-risk of academic failure and/or at-risk of committing juvenile offenses, and that the programs include an academics-based curriculum linked to the Texas Essential Knowledge and Skills, a character/citizenship education component, a plan for parental and/or mentor involvement, and assurances that no supplanting of current funds dedicated to after-school programs will occur. Districts may contract with private sector organizations to deliver all or part of the program.

    b. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B, Strategies B.1.1.–B.3.1.

50. **Head Start–Ready to Read Program.** Out of the funds appropriated in Strategy A.2.2, Student Success, $7,125,000 in 2004 and $7,125,000 in 2005 shall be used for the Texas Head Start–Ready to Read Programs, as programs providing an educational component to Head Start, or other similar government-funded early childhood care and education programs. The Texas Education Agency shall expend these funds in accordance with the following provisions and the provisions of Texas Education Code § 29.156 Grants or Educational Components of Head Start, and with the following provisions:

    a. Funds shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of directly improving the pre-reading skills of three- and four-year-old children and identifying cost-effective models

for pre-reading interventions. To be eligible for the grants, applicants must serve at least 75 percent low-income students, as determined by the Commissioner. Grants may be awarded in two or more consecutive grant periods to a Head Start applicant provided the monies are used to expand the grant programs to additional facilities previously not receiving Texas Head Start - Ready to Read grant funds in the immediate past grant cycle.

b. The Commissioner shall ensure the administration of the Head Start–Texas Ready to Read Grants is a preschool extension of the Texas Reading Initiative.

c. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.

51. **Master Reading and Mathematics Teachers.** Out of federal funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Texas Education Agency shall allocate $5,000,000 in 2004 and $5,000,000 in 2005 for the purpose of funding Master Reading and Master Mathematics Teacher stipends for school districts with certified Master Reading and/or Master Mathematics Teachers. The Texas Education Agency may transfer funds to the State Board for Educator Certification for the creation of the Master Mathematics Teacher certification as provided by § 21.0482 of the Texas Education Code.

52. **Student Success Initiative.** Out of the funds appropriated above in Strategy A.2.2, Student Success, and Strategy B.3.1, Teaching Excellence and Support, $101,547,201 in fiscal year 2004 and $101,547,201 in fiscal year 2005 are allocated for the Student Success Initiative. With the exception of the amounts listed below, the Commissioner shall expend these funds for allocations to schools for the purpose of implementation of scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade, including those students with dyslexia and related disorders, and/or students unlikely to achieve the TAKS reading or math standards by the end of the fifth grade. The funding for student programs for fiscal year 2004 shall be limited to students in grades K-4. The funding for student programs for fiscal year 2005 shall be limited to students in grades K-5.

a. From funds appropriated for the Student Success Initiative and from federal Reading First funds, the Commissioner may set aside $12 million for intensive reading instruction programs for schools that have failed to improve student performance in reading. Upon determining which schools have achieved the least gains in reading performance, the Commissioner shall require those schools to submit a reading improvement plan detailing proposed efforts to improve reading performance as a condition of receiving funding. The reading improvement plan must establish the performance outcome of complete literacy among its student population and outline specific steps that will be taken to achieve that goal. The plan may include the use of technology to achieve reading goals. A school identified as in need of improvement in reading instruction shall implement only those reading strategies and programs approved by the Commissioner of Education and may expend funds from the Student Success Initiative or federal Reading First for approved strategies and programs.

b. Any balances as of August 31, 2004, are appropriated for fiscal year 2005 for the same purposes.

53. **Standards for Gifted and Talented Students Pilot Project.** It is the intent of the Legislature that the Texas Education Agency develop an assessment system and statewide standards for gifted and talented students at all grade levels. Out of the funds appropriated above in Strategy B.3.2, Agency Operations, the Texas Education Agency shall expend $277,250 in each year of the 2004–05 biennium to develop pilot fourth grade standards and to implement standards at the eighth grade and exit-level for the performance of gifted and talented students in the areas of

mathematics, science, social studies and language arts. School district participation in the project or in the use of the standards is not mandatory. At a minimum, the eighth grade pilot shall be completed by August, 2003.

54. **Matching Funds for Library Purchases.** It is the intent of the Legislature that for each dollar expended by each campus of each school district for books and other school library materials that are catalogued and circulated from a central source in each school building, the Texas Education Agency shall provide a 30 percent match to be used for the same purpose. The maximum amounts to which a match will pertain shall be $1.00 per student in the district and the total amount allocated under this provision shall not exceed $.30 per student enrolled in Texas public school in each year of the 2004–05 biennium. Funds expended pursuant to this provision may not supplant funds expended by school districts for school library materials. Funds for this purpose shall be allocated out of available federal Consolidated Administrative funds and other available federal funds. TEA may also use General Revenue Funds over which the Commissioner has discretion. Funds allocated pursuant to this provision shall not exceed $1,200,000 in each year of the biennium.

    The Texas Education Agency shall establish rules by which matching funds are allocated to individual campuses of the school districts. It is the intent of the Legislature that public school libraries be in compliance with standards established by the State Library and Archives Commission. To meet that goal, it is also the intent of the Legislature that school districts which do not yet meet the established standards shall direct any matching funds allocated under this provision on purchases designed to bring the district into compliance.

55. **Notification of Investigation Findings.** The agency shall notify the State Senators and Representatives that represent districts directed by the Texas Education Agency to perform internal investigations of the findings of such investigations prior to the release of the findings.

56. **Coordination of Assistance to School Districts.** The Texas Education Agency shall work in cooperation with the Texas Comptroller of Public Accounts to assist school districts in the investment of funds and with the Bond Review Board to assist school districts entering into bonded indebtedness or lease purchase agreements.

57. **Arts Education.** Out of the Foundation School Program funds appropriated to the Texas Education Agency in this Act, $300,000 in fiscal year 2004, and $300,000 in fiscal year 2005 shall be directed to and expended by the Commission on the Arts under the commission's Strategy B.1.1, Arts Education, for the purpose of awarding grants for arts education. These amounts shall be directed and expended in addition to funds separately appropriated under this Act to the Commission on the Arts under Strategy B.1.1, Arts Education.

58. **Learning Through Listening.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, the Commissioner shall expend $175,000 in 2004 and $175,000 in 2005 to continue a program of providing state-adopted textbooks using recorded material technology for students with visual impairments and reading disabilities. The program shall target students in kindergarten through sixth grade with learning disabilities, dyslexia, vision impairments, and physical disabilities.

59. **Kindergarten and Pre-kindergarten Early Start Grant Programs.** Out of the funds appropriated above in Strategy A.2.2, Student Success, the Commissioner of Education shall allocate $92,500,000 in 2004 and $92,500,000 in 2005 for the purpose of providing grants for kindergarten and pre-kindergarten programs consistent with the provisions of Texas Education Code § 29.155. Any unexpended balances as of August 31, 2004, are appropriated for any early childhood programs authorized by this Act for the 2005 fiscal year, subject to the approval of the Commissioner of Education.

60. **High School Completion and Success.** Out of funds appropriated above in Strategies A.2.5, School Improvement and Support Programs, A.2.2, Student Success, and B.1.1, Assessment and Accountability, the Commissioner shall allocate $30,000,000 in each fiscal year to support the establishment and implementation of comprehensive high school completion and success initiatives. Funds shall be expended in accordance with the following provisions:

    The Commissioner is authorized to receive grants from private sources and foundations for the provision of high school completion and restructuring programs and may use a portion of appropriate state and federal funds as matching funds for such programs.

    Schools that receive funds under this program must ensure that all students have an individualized graduation plan. Graduation plans must ensure that students at risk of not graduating from high school are afforded instruction from highly qualified teachers, have access to online diagnostic and assessment instruments, and are provided accelerated instruction in areas of academic weakness.

    Funds must be expended on programs that show the most potential to improve high school success and completion and that encourage students toward post-secondary education and training, including basic skills grants to districts implementing special programs for high school students who have not earned sufficient credit to advance to the next grade, after-school programs designed to prevent high school dropouts and middle-college programs that encourage at-risk students and students who wish to accelerate their education undertake courses of study that allow both high school and college level work.

    The Commissioner may set aside no more than five percent of total program funds for the purpose of research, evaluation and implementation of innovative programs that support high school completion and success, including innovative models for school restructuring and reform.

    Not less than $500,000 each year of total program funds shall be allocated to programs that foster academic completion for predominantly high school students.

    The Commissioner shall allocate discretionary funds from the federal *No Child left Behind Act* for allowable activities in support of high school reform projects.

    The Commissioner is authorized to receive grants from private sources and foundations for the provision of high school completion and restructuring programs and may use a portion of appropriate state and federal funds as matching funds for such programs. School districts receiving funds may contract with private sector organizations for all or part of the program.

61. **Windham School District Priorities.** It is the intent of the Legislature that the Windham School District target its programs to serve those students whose participation will help achieve the goals of reduced recidivism and the increased success of former inmates in obtaining and maintaining employment. To achieve these goals, younger offenders with the lowest educational levels should receive high priority. This policy shall not preclude the Windham School District from serving other populations according to needs and resources. The Windham School District will report to the Seventy-ninth Legislature regarding their effort and success in implementing this prioritization.

62. **Adult Education.** Priority shall be given to adult literacy programs in the expenditure of adult education funds appropriated above. It is the intent of the Legislature that, in providing educational programs, the administering agency or agencies shall make every effort to provide appropriate training to recipients of Temporary Assistance for Needy Families (TANF) in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Out of the $6,000,000 in General Revenue funds appropriated each year above in Item A.2.6,

Adult Education and Family Literacy, an amount not less than $2,000,000 each year shall be allocated to TEA's adult education cooperatives to provide education and training services to TANF recipients. In addition, out of the Federal TANF funds appropriated above in Item A.2.6., $6,100,000 in 2004 and $6,500,000 in 2005 shall be directed for services for adults who are eligible for TANF. Families that include a child living at home are deemed eligible for TANF-funded adult education services if a family member receives any of the following forms of assistance: Food Stamps, Medicaid, Children's Health Insurance Program, Child Care and Development Fund, or Free or Reduced Priced Lunch Program. To implement these provisions, TEA shall enter into contracts or arrangements with the agency or agencies administering welfare reform and may work with other community-based organizations to offer services directly to adult TANF recipients. All providers of adult education shall meet the requirements defined in the Texas Education Code. Federal funds appropriated for this purpose shall be used for administrative expenditures only to the extent allowable under Federal regulations.

63. **High Cost Reimbursement Grant Program.** Out of the funds appropriated above Strategy A.2.4, Students with Disabilities, the Commissioner shall allocate up to $3,000,000 in 2004 and $3,000,000 in 2005 in Individuals with Disabilities Education Act funds for a grant program to assist school districts and charter schools whose per student costs for expenses related to the Individual with Disabilities Act substantially exceeds the state average per pupil expenditure as defined in § 14101 (2) of the Elementary and Secondary Education Act of 1965 (20 USC 8801 (2)). It is the intent of the Legislature that the use of these funds by school districts and charter schools does not violate the least restrictive environment requirements of IDEA Amendments of 1997, relating to placement and state funding systems that distribute funds based on type of setting.

64. **Funds for Teacher Mentoring Programs.** The Texas Education Agency shall allocate an amount not to exceed $350,000 in each year of the 2004–05 biennium to the State Board for Educator Certification for the operation, marketing, and support of school district based teacher mentoring programs. Funds for this purpose shall be allocated out of available federal program funds subject to the federal "Ed Flex" legislation or similar legislation or rules. Districts may apply directly to TEA for teacher mentoring funds as a part of several ESEA federal grant programs.

65. **Interagency Council on Early Childhood Intervention.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, $12,909,485 in 2004 and $16,498,102 in 2005 shall be set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination. This set-aside shall not affect the calculation of the number of students on weighted average daily attendance under Texas Education Code § 42.302.

66. **Equipment for Cardio-pulmonary Resuscitation.** Notwithstanding any other provision of this Act, the Texas Education Agency may accept donations of equipment, including dummies, intended for use in Cardio-pulmonary Resuscitation (CPR) training. Upon receipt of such equipment, the TEA shall distribute the equipment to districts including CPR training within their curriculum. The Commissioner may adopt rules to implement this provision.

67. **Average Daily Attendance Decline.** Out of the funds appropriated above in Strategy A.1.1, Foundation School Program–Equalized Operations, $11 million in each year of the 2004–05 biennium shall be used to implement § 42.005, Texas Education Code. Expenditures pursuant to this provision shall not exceed $22 million for the 2004–05 biennium.

68. **Maximize Federal Reimbursement for Medicaid School Health and Related Services.** It is the intent of the Legislature that the Texas Education Agency examine the reasons school districts in high poverty areas are not enrolled and/or are not billing for Medicaid School Health

and Related Services Program. TEA shall report its findings to the Legislature and school districts by December 1, 2003, in order for school districts to maximize Medicaid for eligible special education students.

69. **Pay for Performance.** Out of funds appropriated above in Goal B, Strategies B.3.2 – B.3.4, the agency may implement a Pay for Performance system that rewards high performing employees as a part of its Balanced Scorecard Initiative. The system must be performance measure-based, involve performance targets, document improvements in operational excellence and savings to the state, and be reported using the Balanced Scorecard or other widely accepted management approaches. Pay for Performance must be funded within the agency's 2004-2005 administrative budget. Pay for Performance awards are one-time payments to high performing employees that may not exceed 5 percent of an employee's gross annual salary, unless otherwise provided under the General Provisions of this Act. Employees at or above grade B 17 on the State Salary Schedules may not participate in this program. High performing employees eligible for Pay for Performance awards may receive these awards within six months of their last promotion, reclassification, or merit salary increase. The agency will report to the Legislative Budget Board and the Governor no later than September 1, 2004 on the structure, impact, productivity, savings and amounts expended on the Pay for Performance program.

70. **Performance Report on Programs for At-Risk Students.** The Legislative Budget Board and the State Auditor's Office shall evaluate the performance of those programs receiving state funds that target students who are at-risk of dropping out. The programs to be reviewed shall include, but are not limited to, the following: Optional Extended Year Program, After-School Initiative, organizations receiving Investment Capital Fund Grants, Communities in Schools, High School Completion and Success Initiative, and AVANCE.

    A set of results-based performance measures shall be developed that are standard across all entities receiving state funds through these programs, such that the programs may be evaluated in comparison to one another. Measures may include, but are not limited to, assessment passing rates, the Texas Learning Index or similar measure, dropout/completion rate, attendance rate, alternative education referral rates, and the violence/drug use incident rate. The Commissioner of Education shall assist the Legislative Budget Board and the State Auditor's Office by making available any program, campus and district data needed to successfully complete the evaluation. The evaluation shall be completed and the findings reported to the Legislature by January 1, 2005.

71. **Contingency For Senate Bill 929 - Technical Assistance for School Districts.** Contingent upon enactment of Senate Bill 929, or similar legislation relating to Regional Education Service Centers, by the Seventy-Eighth Legislature, out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner shall distribute $29,407,362 in 2004 and $29,407,362 in 2005 to school districts to assist them in securing professional development and other technical assistance services from either a Regional Education Service Center or other service provider. The formula for distribution shall be determined by the Commissioner and approved by the Legislative Budget Board and the Governor.

72. **Textbook Proclamation 2003.** It is the expressed desire of the Legislature that the State Board of Education forego the issuance of Proclamation 2003, which would have identified textbooks scheduled for purchase in the 2006-07 school year.

73. **Pregnancy, Parenting and Education Programs.** It is the intent of the Legislature that funds appropriated above for the Pregnancy, Parenting and Education Program are distributed to eligible program providers within 30 days of the start of each fiscal year. It is further the intent of the Legislature that once funds are allocated the providers may carry forward unexpended balances from fiscal year 2004 to fiscal year 2005.

74. **Contract for Development of Workplace Literacy and Basic Skills Curriculum.** The Texas Education Agency shall contract with the Texas Workforce Commission for $1,500,000 in 2004 and $1,500,000 in 2005 from federal funds appropriated above in Strategy A.2.6, Adult Education and Family Literacy, for the development of a demand-driven workplace literacy and basic skills curriculum. It is the intent of the Legislature that the Texas Education Agency shall only use federal Adult Education and Literacy statewide leadership funds for the interagency contract, and that TEA not reduce funds to adult education and literacy service providers.

75. **Reimbursement for Classroom Supplies.** The Commissioner shall establish a pilot program to reimburse classroom teachers for personal funds spent on classroom supplies. It is the intent of the Legislature that funds shall be provided to school districts to match local funds expended for this purpose. Funds allocated are intended for the direct benefit of students and use of the funds is solely the discretion of the classroom teacher. The Texas Education Agency shall establish rules by which matching funds are allocated to individual teachers within the school district. These funds may not be used to supplant local funds being provided for the same purpose.

    From the funds appropriated above, the Commissioner shall identify state discretionary and administrative funds for classroom supply reimbursement. Funds for this purpose shall also be allocated out of available federal consolidated administrative funds and from funds subject to the federal "Ed-Flex" statute. The agency and local school districts may also use any allowable unexpended balances in Federal Funds at the end of each fiscal year of the biennium to provide these reimbursements.

76. **Texas Science Initiative.** Out of the Federal Funds appropriated above, the Commissioner may allocate appropriate resources to support the Texas Science Initiative.

    Out of the funds identified, the Commissioner shall use an amount not to exceed $20 million in the 2004-05 biennium to implement scientific-based content development for training materials, professional development institutes and on-line institutes in science and related research.

    As provided by House Bill 411 or similar legislation, The Commissioner may use a portion of the funds to implement the master science teacher program and shall transfer funds to the State Board for Educator Certification for creation of the master science teacher certification

    Funds shall be distributed by the Commissioner on a competitive grant basis to be used by schools for the implementation fo scientific, research-based science programs designed to improve the academic science performance of students, including programs designed to address the gender gap in performance. To be eligible for funding, schools must demonstrate a high need for additional intervention as evidenced by student performance.

77. **Computation of Aid for Certain Educational Entities.** Notwithstanding the provisions of Texas Education Code § 42.304, the Commissioner of education shall compute state aid under the Foundation School Program for the following districts and schools using the average tax rate and property value per student of school districts in the county in which the district or school is located:

    1. a school district located on a federal military installation
    2. the Moody State School and
    3. Masonic Home Independent School District

    The state aid distributed to Masonic Home Independent School District pursuant to Texas Education Code, Chapter 42, Subchapter F (Guaranteed Yield Program) shall not exceed $90,000 for each year of the 2004-05 Biennium.

78. **Career and Technology Education Allotment Program Eligibility.** Of the programs currently approved to earn the Career and Technology Education allotment as authorized by Texas Education Code § 42.154, the Commissioner shall identify those programs least in need of the additional funding provided by the allotment. Funds appropriated above in strategy A.1.1, FSP - Equalized Operations, for the Career and Technology Education allotment shall not be used to provide weighted funding for these programs. In identifying programs to be disapproved for weighted funding pursuant to this rider, the Commissioner shall exclude from consideration programs falling under the career and technology education classification of agricultural science and technology education.

79. **Delay of Foundation School Program Payment.** Appropriations made above and referenced in Rider 2, Chapter 42 and 46 Formula Funding, of this Act do not include payments to be made from the foundation school fund in August 2005. It is the intent of the Legislature that, contingent on the enactment of legislation relating to transfers from the foundation school fund, that the scheduled August 2005 payments be made in September 2005.

## STATE BOARD FOR EDUCATOR CERTIFICATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the Certification and Assessment Fees (General Revenue Fund):** | | |
| **A. Goal:** EDUCATOR CERTIFICATION<br>The State Board for Educator Certification will ensure the highest level of educator preparation and practice to achieve student excellence. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Teachers Who Are Fully Certified | 88% | 88% |
| Percent of Teachers Who Are Employed/Assigned to Teaching Positions for Which They Are Fully Certified | 81% | 81% |
| Percent of Documented Complaints Resolved within Six Months | 70% | 70% |
| Percent of Educator Preparation Programs Rated "Accredited" | 88% | 88% |
| Percent of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received | 95% | 95% |
| Percent of Certification Examinations Administered Online | 10% | 10% |
| **A.1.1. Strategy:** EDUCATOR QUALITY/ACCOUNTABILITY<br>Build the capacity of the Texas public education system so that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve academic performance of all students in the state. | $ 12,078,271 | $ 12,496,255 |
| **Output (Volume):** | | |
| Number of Certification Examinations Administered | 105,000 | 110,000 |
| Number of Educator Preparation Programs Reviewed | 117 | 120 |
| Number of Individuals Issued Initial Teacher Certificate | 18,500 | 18,500 |
| Number of Temporary Credentials Issued | 18,000 | 18,000 |
| **Efficiencies:** | | |
| Average Days for Credential Issuance | 30 | 30 |
| Average Cost Per Certification Examination Administered | 77 | 77 |

## STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.2. Strategy:** RETENTION, RECRUITMENT | $ | 80,482 | $ | 81,000 |
| Reduce the teacher shortage through the creation and expansion of preparation programs and the support of beginning educators. | | | | |
| **Output (Volume):** | | | | |
| Number of Previously Degreed Individuals Issued Initial Teacher Certificate | | 8,140 | | 8,140 |
| Number of Individuals Issued Initial Teacher Certificate Concurrent with Receiving Baccalaureate Degree | | 8,510 | | 8,510 |
| **A.1.3. Strategy:** EDUCATOR PROFESSIONAL CONDUCT | $ | 3,904,104 | $ | 3,937,765 |
| Implement measures to ensure all educators engage in high levels of professional conduct. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 1,600 | | 1,600 |
| Number of Complaints Pending | | 700 | | 700 |
| **Efficiencies:** | | | | |
| Average Time for Resolving Complaints (Days) | | 150 | | 150 |
| **Total, Goal A:** EDUCATOR CERTIFICATION | $ | 16,062,857 | $ | 16,515,020 |
| **Grand Total,** STATE BOARD FOR EDUCATOR CERTIFICATION | $ | 16,062,857 | $ | 16,515,020 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 710,986 | $ | 723,251 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 59.0 | | 59.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $78,000 | | $78,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 1,090,433 | $ | 1,142,369 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,068,123 | $ | 3,094,623 |
| Other Personnel Costs | | 60,000 | | 60,000 |
| Professional Fees and Services | | 9,084,997 | | 9,475,497 |
| Consumable Supplies | | 13,899 | | 15,001 |
| Utilities | | 50,000 | | 50,000 |
| Travel | | 86,000 | | 86,000 |
| Rent - Building | | 143,423 | | 152,486 |
| Rent - Machine and Other | | 41,485 | | 41,485 |
| Other Operating Expense | | 4,570,363 | | 4,632,297 |
| Capital Expenditures | | 35,000 | | 50,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 17,153,290 | $ | 17,657,389 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the Certification and Assessment Fees (General Revenue Fund): | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Servers/Workstation Acquisition | $ | 35,000 | $ | 50,000 |
| Total, Capital Budget | $ | 35,000 | $ | 50,000 |

## STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

2. **Reimbursement of Advisory Committees.** None of the funds appropriated in this Act to the State Board for Educator Certification may be used for the reimbursement of advisory committee members unless the Chairman of the Board provides written notification, including a justification of the purpose of the committee, to the Legislative Budget Board and the Governor.

3. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by this agency cover, at a minimum, the cost of the appropriations made above, as well as the "other direct and indirect costs" associated with these functions, appropriated elsewhere in this Act. "Other direct and indirect costs" for these functions are estimated to be $710,986 in fiscal year 2004 and $723,251 in fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the cost identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority above to be within the amount of revenue expected to be available.

4. **Exam Locations.** The State Board for Educator Certification shall continue to ensure that sites in the state of Texas that provide the main certification examination for educators (a.k.a. ExCET or TExES) are located such that there is a site within 50 miles of every Board-approved educator preparation program.

5. **Integrated Reporting System.** The State Board for Educator Certification shall coordinate with the Texas Education Agency and the Higher Education Coordinating Board regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

6. **Texas Beginning Educator Support System.** The State Board for Educator Certification shall seek federal funds to continue the Texas Beginning Educator Support System (TxBESS) or any other beginning teacher induction/mentor program. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency. As part of the beginning educator induction program, the agency shall train districts to develop and operate their own local induction programs, based on the statewide TxBESS model, if funded. The agency shall report on its efforts to obtain federal funds for beginning educator induction/mentoring to the Seventy-ninth Legislature.

7. **Test Development.** The State Board for Educator Certification shall continue to consider the use of standard exams that are not specific to Texas curricula to complement a core of Texas-specific exams and/or replace certain Texas-specific exams planned or under development. The board shall consider the following factors when determining whether a Texas-specific exam is necessary - the number of Texas educators likely to take the exam; the extent to which educators from states that use a standard exam pass similar Texas-specific exams; the similarity of content covered in a standard exam versus the planned Texas-specific exam, understanding that 100 percent of alignment is not necessary; and the relative cost to the state and to examinees of a standard exam versus a Texas-specific exam.

   The State Board for Educator Certification is hereby authorized to expend funds appropriated in Strategy A.1.1, Educator Quality/Accountability, for test development for the evaluation and purchase of standard exams, if the Board finds that a standard exam is appropriate.

8. **Federal Funds for Test Development.** The State Board for Educator Certification shall seek federal funds to provide for the development of new certification examinations. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency.

9. **Communication of New Rules.** It is the intent of the Legislature that the State Board of Educator Certification communicate the adoption of new rules directly to school districts and institutions of higher education by electronic mail or regular mail in a timely manner. The board will also post newly adopted rules on the Internet for review.

10. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code 249.14.

11. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the State Board for Educator Certification are made contingent on the continuation of the State Board for Educator Certification by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

12. **Contingent Revenue.** Of the amounts appropriated above to the State Board for Educator Certification in Strategy A.1.3, Educator Professional Conduct, the amount of $2,734,000 in fiscal year 2004 and $2,761,000 in fiscal year 2005 for the purpose of conducting national criminal history background checks is contingent on the State Board for Educator Certification assessing fees sufficient to generate, during the 2004-05 biennium, $5,495,000 in excess of $31,756,000 (Object Code 3511), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2004 and 2005. The State Board for Educator Certification, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the State Board for Educator Certifications' minutes and other information supporting the estimated revenues to be generated for the 2004-2005 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.

13. **Appropriation of Educator Assessment Fees.** In addition to the above appropriation, the State Board for Educator Certification is appropriated any assessment fee revenue necessary for the payment of educator examination-related fees to a contractor above the amounts indicated in the Comptroller's Biennial Revenue Estimate. The excess is estimated to be $1,090,433 in fiscal year 2004 and $1,142,369 in fiscal year 2005. The Comptroller of Public Accounts must issue a finding of fact after the end of each fiscal year indicating that the additional expenditures related to this appropriation were used solely for the purpose of paying examination-related fees to a contractor.

## SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ACADEMIC AND LIFE TRAINING<br>Students who are visually impaired or deafblind will demonstrate the skills and knowledge to lead vocationally, personally, and socially satisfying lives as demonstrated by academic success and successful transition to the community. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Student Learning Indicator Attained | 100% | 100% |
| Percent of Students Whose Responding Local School Districts Rated Their Learning Experience at Summer Programs as Very Satisfactory or above | 80% | 80% |
| **A.1.1. Strategy:** CLASSROOM INSTRUCTION<br>Provide a well-balanced curriculum which includes disability-specific skills and which meets either State Board of Education requirements for regular education or individual education plan goals. Provide instruction in academic/functional, vocational, and orientation and mobility skills and promote the successful transition of students to local schools, community placements, work, or further education. | $ 3,583,992 | $ 3,583,992 |
| **Output (Volume):** | | |
| Number of Students Enrolled in Day Programming During Regular School Year | 147 | 147 |
| Number of Students Enrolled Who Have Multiple Disabilities | 102 | 102 |
| **Efficiencies:** | | |
| Average Cost of Instructional Program per Student Per Day | 125.4 | 125.4 |
| **Explanatory:** | | |
| Average Length of Enrollment in Regular School Year Program (Months) | 26 | 26 |
| **A.1.2. Strategy:** RESIDENTIAL PROGRAM<br>Conduct residential programming that provides instruction in independent living skills and social skills. | $ 3,004,726 | $ 3,062,228 |
| **Output (Volume):** | | |
| Number of Students Enrolled in Residential Programming During Regular School Year | 136 | 136 |
| **A.1.3. Strategy:** SUMMER AND SHORT PROGRAMS<br>Provide a variety of instructional and residential special programs including summer enrichment and short-term programs designed to meet the educational needs of students with visual impairments. Curriculum will be provided in the following content areas: compensatory academic skills, including communication modes; social interaction skills; recreation and leisure skills; use of assistive technology; orientation and mobility; independent living skills; career education; and visual efficiency skills. | $ 1,008,366 | $ 1,008,366 |
| **Output (Volume):** | | |
| Number of Students Enrolled in Short-term Programs | 70 | 70 |
| **Efficiencies:** | | |
| Average Cost of Special Programs Per Student | 3,306.12 | 3,306.12 |
| **A.1.4. Strategy:** RELATED AND SUPPORT SERVICES<br>Provide related services during the regular school year and short-term special programs that support the instruction of students attending TSBVI. | $ 2,505,020 | $ 2,353,819 |

## SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Students Receiving Physical/Motor Services | | 350 | | 350 |
| **Total, Goal A:** ACADEMIC AND LIFE TRAINING | $ | 10,102,104 | $ | 10,008,405 |
| **B. Goal:** STATEWIDE RESOURCE CENTER | | | | |
| Families, professionals, and paraprofessionals will have the knowledge and skills necessary to improve educational programming and other services for all Texas students who are visually impaired or deafblind. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Families, Professionals, and Paraprofessionals Rating as Very Satisfactory or above the Improvement of Their Knowledge and Skills as a Result of the Services or Products Received from TSBVI | | 85% | | 85% |
| **B.1.1. Strategy:** TECHNICAL ASSISTANCE | $ | 2,488,674 | $ | 2,351,574 |
| Provide technical assistance and information and referral services for families of and programs serving children with visual impairments and children with deafblindness through preservice, inservice and family services programs. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Visits | | 124 | | 124 |
| Number of Participants in Video Conferencing Events | | 300 | | 300 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,290,697 | $ | 2,290,697 |
| **Grand Total,** SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED | $ | 14,881,475 | $ | 14,650,676 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 11,512,149 | $ | 11,418,450 |
| Federal Funds | | 2,432,949 | | 2,295,849 |
| Other Funds | | | | |
| Appropriated Receipts | | 749,526 | | 749,526 |
| Interagency Contracts | | 186,851 | | 186,851 |
| Subtotal, Other Funds | $ | 936,377 | $ | 936,377 |
| **Total, Method of Financing** | $ | 14,881,475 | $ | 14,650,676 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 330.3 | | 330.3 |
| **Schedule of Exempt Positions:** | | | | |
| Superintendent, Group 3 | | $84,000 | | $84,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 11,445,793 | $ | 11,479,703 |
| Other Personnel Costs | | 182,810 | | 182,570 |
| Professional Fees and Services | | 308,321 | | 236,421 |
| Fuels and Lubricants | | 25,567 | | 25,567 |
| Consumable Supplies | | 277,729 | | 271,229 |
| Utilities | | 308,694 | | 308,694 |
| Travel | | 122,725 | | 106,725 |
| Rent - Machine and Other | | 26,653 | | 26,653 |
| Other Operating Expense | | 1,747,719 | | 1,728,851 |

| | | | | |
|---|---|---|---|---|
| Client Services | | 1,100 | | 1,100 |
| Food for Persons - Wards of State | | 131,595 | | 131,595 |
| Capital Expenditures | | 302,769 | | 151,568 |
| **Total, Object-of-Expense Informational Listing** | $ | 14,881,475 | $ | 14,650,676 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Instructional Materials | $ | 70,000 | $ | 70,000 |
| (2) Technology Upgrade | | 30,000 | | 30,000 |
| Total, Acquisition of Information Resource Technologies | $ | 100,000 | $ | 100,000 |
| b. Transportation Items | | | | |
| (1) School Transportation | | 151,201 | | 0 |
| Total, Capital Budget | $ | 251,201 | $ | 100,000 |

2. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Blind and Visually Impaired shall implement the provisions identified in Texas Education Code § 30.024. No later than November 1 of each year of the biennium, the Texas School for the Blind and Visually Impaired shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

3. **Teacher Preparation Consortium.** Out of the funds appropriated above in Strategy B.1.1, Technical Assistance, $900,000 in each year of the biennium is Federal CFDA 84.027, Special Education Grants. These funds shall be used to support professional preparation for teachers of students with visual impairments. The funds shall be expended under the provisions of a memorandum of understanding executed by Texas School for the Blind and Visually Impaired, Texas Tech University, and Stephen F. Austin University.

4. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from 2003 appropriations are hereby appropriated to the Texas School for the Blind and Visually Impaired for the same purpose in the 2004–2005 biennium.

## SCHOOL FOR THE DEAF

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ACADEMIC, LIFE, AND WORK TRAINING<br>Texas School for the Deaf students will demonstrate the academic, career and work, and life skills necessary for students to become productive citizens and to achieve their maximum potential. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Academic Courses in Which Students Obtain a Passing Grade | 85% | 85% |
| **A.1.1. Strategy:** CLASSROOM INSTRUCTION<br>Provide instruction utilizing a rigorous, relevant, comprehensive curriculum to meet the needs of each learner. | $ 6,001,785 | $ 6,101,659 |
| **Output (Volume):** | | |
| Number of Students Enrolled at Texas School for the Deaf | 492 | 493 |
| Number of Students Enrolled in the Special Needs Department | 80 | 80 |
| **Efficiencies:** | | |
| Average Cost of Instructional Program Per Student Per Day | 62.96 | 62.84 |
| **Explanatory:** | | |
| Average Length of Enrollment (By Months) in Regular Year Program | 46 | 46 |
| **A.1.2. Strategy:** RESIDENTIAL PROGRAM<br>Provide after-school residential, extracurricular, and athletic programs that support student learning and acquisition of life skills. | $ 3,335,153 | $ 3,334,757 |
| **Output (Volume):** | | |
| Number of Residential Students | 285 | 290 |
| **Efficiencies:** | | |
| Average Cost of Residential Program per Student per Night | 37.84 | 37.18 |
| **A.1.3. Strategy:** RELATED AND SUPPORT SERVICES<br>Provide related and support services necessary for students to benefit from educational programs. | $ 4,567,758 | $ 4,467,418 |
| **Output (Volume):** | | |
| Number of Students Receiving Counseling | 140 | 142 |
| Number of Comprehensive Assessments Conducted for Current Students | 160 | 160 |
| **Efficiencies:** | | |
| Average Cost of Related and Support Services per Student | 8,719.69 | 8,701.39 |
| **A.1.4. Strategy:** EXTENDED-YEAR SERVICES<br>Provide extended-year and specialized summer services to eligible Texas School for the Deaf students to support academic, career, and work and life skills acquisition. | $ 174,774 | $ 175,225 |
| **Output (Volume):** | | |
| Number of Texas School for the Deaf Students Enrolled in Summer Programs | 32 | 32 |
| Number of Students Enrolled in Extended Year Services | 57 | 57 |
| **Efficiencies:** | | |
| Average Cost of Summer Program per Texas School for the Deaf Student | 954.65 | 954.65 |
| **Total, Goal A:** ACADEMIC, LIFE, AND WORK TRAINING | $ 14,079,470 | $ 14,079,059 |

**B. Goal:** OUTREACH AND RESOURCE SERVICES
Texas students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs) and agencies will benefit from Texas School for the Deaf outreach and resource services.

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** TECHNICAL ASSISTANCE<br>Provide technical assistance through seminars, workshops, conferences, site visits, consultations, publications, and website to agencies, organizations, individuals, and families involved in the education of persons who are deaf and hard of hearing. | $ | 242,067 | $ | 242,072 |
| **Output (Volume):** | | | | |
| Number of Participants in Workshops and Training Seminars | | 3,270 | | 3,270 |
| Number of Assessments Provided to Non-Texas School for the Deaf Students | | 0 | | 0 |
| **B.1.2. Strategy:** TSD SPECIALIZED SHORT-TERM PROGRAMS<br>Provide specialized short-term services to eligible non-TSD students and families to support academic, career, and work and life skills acquisition. | $ | 76,058 | $ | 76,313 |
| **Output (Volume):** | | | | |
| Total Number of Non-Texas School for the Deaf Students Enrolled in Summer Programs | | 0 | | 0 |
| **B.1.3. Strategy:** TECHNOLOGY OUTREACH<br>Provide distance learning, videoconferencing and technology consultation and training to students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs), and other agencies. | $ | 281,728 | $ | 281,728 |
| **Total, Goal B:** OUTREACH AND RESOURCE SERVICES | $ | 599,853 | $ | 600,113 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 1,756,954 | $ | 1,757,689 |
| **C.1.2. Strategy:** OTHER SUPPORT SERVICES | $ | 1,827,540 | $ | 1,827,539 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 3,584,494 | $ | 3,585,228 |
| **Grand Total,** SCHOOL FOR THE DEAF | $ | 18,263,817 | $ | 18,264,400 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 14,494,531 | $ | 14,495,114 |
| Federal Funds | | 1,020,250 | | 992,893 |
| Other Funds | | | | |
| Appropriated Receipts | | 2,725,895 | | 2,753,252 |
| Interagency Contracts | | 23,141 | | 23,141 |
| Subtotal, Other Funds | $ | 2,749,036 | $ | 2,776,393 |
| **Total, Method of Financing** | $ | 18,263,817 | $ | 18,264,400 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 427.4 | | 427.4 |
| **Schedule of Exempt Positions:** | | | | |
| Superintendent, Group 3 | | $84,000 | | $84,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 14,939,472 | $ | 14,940,055 |
| Other Personnel Costs | | 1,058,807 | | 1,058,807 |
| Professional Fees and Services | | 229,570 | | 229,570 |
| Fuels and Lubricants | | 74,100 | | 74,100 |

## SCHOOL FOR THE DEAF
(Continued)

| | | | | |
|---|---|---|---|---|
| Consumable Supplies | | 616,489 | | 616,489 |
| Utilities | | 41,089 | | 41,089 |
| Travel | | 142,900 | | 142,900 |
| Rent - Machine and Other | | 56,000 | | 56,000 |
| Other Operating Expense | | 246,499 | | 246,499 |
| Client Services | | 350,760 | | 350,760 |
| Food for Persons - Wards of State | | 283,131 | | 283,131 |
| Capital Expenditures | | 225,000 | | 225,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 18,263,817 | $ | 18,264,400 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Lease Payments to the Master Lease Purchase Program to Upgrade & Replace Hardware | $ | 50,000 | $ | 50,000 |
| Total, Capital Budget | $ | 50,000 | $ | 50,000 |

2. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Deaf shall implement the provisions identified in Texas Education Code § 30.055. No later than November 1 of each year of the biennium, the Texas School for the Deaf shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

3. **Historically Underutilized Businesses.** Out of the funds appropriated above, the Texas School for the Deaf shall make a good faith effort to comply with the historically underutilized requirements set out in Chapter 2161 of the Government Code. The State Auditor's Office and the Texas Building and Procurement Commission shall determine an agency's compliance with the provisions set out in Chapter 2161.

4. **Classification of Residential Staff.** It is the intent of the Legislature that residential staff at the Texas School for the Deaf (including the "house parent" positions) shall be classified and compensated according to the Residential Specialist series as delineated in Article IX of this Act.

## SPECIAL PROVISIONS FOR THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED AND TEXAS SCHOOL FOR THE DEAF

1. **Services to Employees.** The governing boards may expend money for the provision of first aid or other minor medical attention for employees injured in the course and scope of their

employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment, so long as such items are medically prescribed equipment (e.g., eyeglasses, hearing aids, etc.).

2. **Emoluments.** The superintendent is authorized to determine emoluments for certain positions provided that the provision of such emoluments is necessary to effectively carry out the job responsibilities of the position.

3. **Appropriation of Funds.** With respect to the following funds held outside the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established subject to the approval of the respective governing board: the Expendable Trust Fund; the Student Trust Fund; the Student Activity Fund; and the Student Aid Fund.

   With respect to the following funds held within the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established: Vocational Programs Fund; Technology Lending Fund; Curriculum Publications Fund; Independent School District Fund; State and County Available Fund and other funds brought into the State Treasury under Texas Government Code, Chapter 404.

   Funds received from sale of food and garbage and from the use of facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by organizations and other entities, including the Recording for the Blind, Inc., and any daycare center provider using the facilities, are appropriated for the use of the respective school subject to the approval of the governing board.

4. **Use of Facilities.** The respective governing boards of the Texas School for the Blind and Visually Impaired and Texas School for the Deaf may allow organizations related to the schools the use of the facilities of the physical plant; provided that said sessions do not interfere with the regular operations of the schools.

5. **Petty Cash Fund.** The Texas School for the Blind and Visually Impaired and Texas School for the Deaf may establish a petty cash fund not to exceed $5,000 for each school out of the funds appropriated herein. These funds shall be maintained in cash or at a local bank and shall be used only for making emergency payments and small purchases and payments which will increase the efficiency of the operation, payments to client workers on a regular pay-day basis, and for use as a change fund in the cashier's office, canteen, and other specific locations where financial activities of the Schools require a change fund. Purchases and payments from this fund are limited to $200 per item.

6. **Assessments for LEAs.** For any assessments on students from Local Education Agencies, the Texas School for the Blind and Visually Impaired and Texas School for the Deaf shall make a reasonable charge for these services to the Local Education Agencies. A reasonable effort to collect for the assessments will be made by the schools.

7. **Certification and Appropriation of Medicaid Reimbursement.** The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall certify and/or transfer appropriated state funds to the Health and Human Services Commission or its designee for the state share of any Medicaid reimbursement for services provided to eligible students. The federal share of such reimbursement is appropriated to each respective school.

## SCHOOL FOR THE DEAF
(Continued)

8. **Payments by School Districts.** All revenues collected from local school districts in excess of the funds appropriated above are hereby appropriated to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, respectively.

## TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE GRANTS AND LOANS<br>The Board will develop and provide grant programs for elementary and secondary school campuses, institutions of higher education, public and not-for-profit healthcare facilities, academic health science centers, and public libraries for purposes consistent with our legislative mandate. | | |
| **A.1.1. Strategy:** GRANTS & LOANS K-12<br>Provide grant programs to public schools that will allow the advancement of technology across institutional boundaries in order to ensure that elementary and secondary school campuses work together to develop beneficial partnerships through technology. | $ | $ |
| **A.1.2. Strategy:** GRANTS - QUALIFYING ENTITIES<br>Provide grant programs to public schools and qualifying entities that will allow the advancement of technology across institutional boundaries in order to ensure that elementary and secondary school campuses, libraries, public and not-for-profit healthcare facilities, academic health science centers, and institutions of higher education work together to develop beneficial partnerships through technology. | $ | $ |
| **Total, Goal A:** PROVIDE GRANTS AND LOANS | $ 0 | $ 0 |
| **B. Goal:** GRANT IMPLEMENTATION<br>The Board will administer grant and loan programs in a manner which ensures the most effective, efficient, and objective process for establishing a world-class telecommunications infrastructure that benefits all Texas. | | |
| **B.1.1. Strategy:** GRANT IMPLEMENTATION<br>Implement and administer grant and loan process. | $ | $ |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | $ |
| **Grand Total,** TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD | $ 0 | $ 0 |
| **Method of Financing:** | | |
| **Total, Method of Financing** | $ 0 | $ 0 |
| **Object-of-Expense Informational Listing:** | | |
| **Total, Object-of-Expense Informational Listing** | $ 0 | $ 0 |

## TEACHER RETIREMENT SYSTEM

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** TEACHER RETIREMENT SYSTEM | | |
| To administer the system as an employee benefit trust. | | |
| **Outcome (Results/Impact):** | | |
| TRS Annual Operating Expense Per Active and Retired Member in Dollars (Excluding Investment Expenses) | 27 | 27 |
| Percent of TRS-Care Participants Rating TRS-Care Services as Satisfactory or Better | 70% | 70% |
| **A.1.1. Strategy:** TRS - PUBLIC EDUCATION RETIREMENT | $ 1,139,793,158 | $ 897,587,112 |
| Make retirement contributions to the TRS pension fund for public education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated. | | |
| **A.1.2. Strategy:** TRS - HIGHER EDUCATION RETIREMENT | $ 225,775,693 | $ 176,616,843 |
| Make retirement contributions to the TRS pension fund for higher education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated. | | |
| **A.1.3. Strategy:** ADMINISTRATIVE OPERATIONS | $ 44,360,000 | $ 43,440,000 |
| Provide services to members, manage investments, and administer TRS retirement fund. | | |
| **Output (Volume):** | | |
| Number of TRS Benefit Applications Processed | 66,000 | 68,000 |
| **Efficiencies:** | | |
| Percent of TRS Retirees Who Receive Their First Annuity within 31 Days of Their Effective Retirement Date | 98% | 98% |
| Average Customer Hold Time for Calls Received on Toll-free Number (In Minutes) | 3 | 3 |
| **A.2.1. Strategy:** RETIREE HEALTH | $ 407,158,251 | $ 264,003,810 & UB |
| Administer group health care benefits for public education retirees through the TRS-Care program by monitoring the performance of contracted benefit providers, communicating health care plan features, and resolving benefit disputes. Estimated. | | |
| **Output (Volume):** | | |
| Dollar Amount of Participating Network Savings | 187,080,000 | 202,320,000 |
| **Efficiencies:** | | |
| Percent of Claims Adjudicated within 14 Days of Receipt | 93% | 93% |
| **A.3.1. Strategy:** ACTIVE HEALTH | $ 263,114,716 | $ 240,338,479 |
| Administer group health care benefits for public education employees through the TRS-ActiveCare program by monitoring the performance of contracted benefit providers, communicating health care plan features, and | | |

resolving benefit disputes. Distribute supplemental funds to public education employees to purchase health care or enhance compensation.

| | | | | |
|---|---|---|---|---|
| **Total, Goal A:** TEACHER RETIREMENT SYSTEM | $ | 2,080,201,818 | $ | 1,621,986,244 |
| **Grand Total,** TEACHER RETIREMENT SYSTEM | $ | 2,080,201,818 | $ | 1,621,986,244 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,979,552,283 | $ | 1,534,203,601 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 54,895,592 | | 43,230,278 |
| Other Funds | | | | |
| Teacher Retirement System Trust Account Fund No. 960 | | 45,753,943 | | 44,552,365 |
| Subtotal, Other Funds | $ | 45,753,943 | $ | 44,552,365 |
| **Total, Method of Financing** | $ | 2,080,201,818 | $ | 1,621,986,244 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 436.0 | | 436.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director | | $188,436 | | $188,436 |
| Chief Investment Officer | | 300,000 | | 300,000 |
| Investment Fund Director | | (4) 217,260 | | (4) 217,260 |
| **Supplemental Appropriations Made in Riders:** | $ | 33,350,443 | $ | 33,350,443 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 23,847,500 | $ | 24,999,875 |
| Other Personnel Costs | | 2,069,472,261 | | 1,612,186,687 |
| Operating Costs | | 16,429,612 | | 16,385,912 |
| Capital Expenditures | | 3,802,888 | | 1,764,213 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,113,552,261 | $ | 1,655,336,687 |

1. **Capital Budget.** None of the funds appropriated above for Strategy A.1.3, Administrative Operations, may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the Teacher Retirement System Trust Account Fund No. 960: | | | | |
| a. Repair or Rehabilitation of Buildings and Facilities | | | | |
| (1) Building Renovations 2004-05 | $ | 120,000 | $ | 120,000 |
| (2) Carpet Replacement | | 175,000 | | 0 |
| (3) HVAC Airhandler Replacement | | 315,000 | | 300,000 |
| (4) Waterproofing Exterior | | 455,000 | | 0 |
| (5) Roof Replacement | | 680,000 | | 0 |
| (6) Security System Upgrades | | 45,000 | | 45,000 |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ | 1,790,000 | $ | 465,000 |

| | | |
|---|---|---|
| b. Acquisition of Information Resource Technologies | | |
| (1) DASD Upgrade 2004-05 | 50,000 | 50,000 |
| (2) Mainframe and Peripheral Upgrades 2004-05 | 450,000 | 0 |
| (3) PC Workstation Upgrades 2004-05 | 210,000 | 210,000 |
| (4) Telecommunications Upgrade 2004-05 | 550,000 | 350,000 |
| (5) Pension Legislation 2005 | 0 | 200,000 |
| Total, Acquisition of Information Resource Technologies | $ 1,260,000 | $ 810,000 |
| c. Acquisition of Capital Equipment and Items | | |
| (1) Furniture & Modular Workstations | 45,500 | 0 |
| (2) Printing Equipment Replacement | 75,000 | 0 |
| Total, Acquisition of Information Resource Technologies | $ 120,500 | $ 0 |
| Total, Capital Budget | $ 3,170,500 | $ 1,275,000 |

2. **Updated Actuarial Valuation.** The Teacher Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Teacher Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the retirement system.

3. **State Contribution to Teacher Retirement Program.** The amounts specified above in A.1.1, TRS-Public Education Retirement, and A.1.2, TRS-Higher Education Retirement, are based on a state contribution of 6.00 percent of payroll for each fiscal year, estimated.

4. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** Of the amounts specified above in A.2.1, Retiree Health, $107,135,966 in fiscal year 2004 and $113,992,668 in fiscal year 2005 are based on a state contribution rate of 0.50 percent of payroll for each fiscal year, estimated. Also included in the appropriation is a sum certain amount for fund solvency of $300,022,285 in fiscal year 2004 and $150,011,142 in fiscal year 2005.

   In addition to the amounts appropriated in Strategy A.2.1, Retiree Health, the Teacher Retirement System is appropriated $33,350,443 in General Revenue for each year of the 2004-2005 biennium that must be used to reduce premium increases paid by TRS-Care participants. The retirement system may carry forward any unexpended appropriation from fiscal year 2004 into fiscal year 2005. The Teacher Retirement System must report to the 79th Legislature how this appropriation was used and what impact it had in mitigating premium increases.

   In order to maintain the solvency of the TRS-Care insurance fund, the Teacher Retirement System shall control the cost of the TRS-Care insurance program by minimizing rate increases associated with health care and pharmacy providers, and by establishing specific insurance coverage cost-sharing levels for TRS-Care participants. These cost-sharing levels should take into account the differences in costs associated with participation in the TRS-Care insurance program prior to age 65.

5. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Teacher Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Government Code § 825.517.

## TEACHER RETIREMENT SYSTEM
(Continued)

6. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above in A.1.2, TRS-Higher Education Retirement, from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in the Article IX provision entitled Salaries to be Proportional by Fund.

7. **School District Employee Pass-Through.** The amounts appropriated in Strategy A.3.1, Active Health, for active school district employee health benefits are to be used to provide an annual pass-through contribution of $500 for all employees, except that no contributions shall be provided for the category of employees referred to as "professional support" by the Teacher Retirement System. Employees hired after August 31, 2003 by a school district, charter school, or regional education service center eligible for the pass-through contribution (i.e., "supplemental compensation" under § 3.50-8, Education Code) may not receive the pass-through until their 90th day of employment. The Teacher Retirement System is authorized to allocate the last month's fiscal year 2005 payment of the pass-through in September, 2005.

8. **Exempt Positions.** Notwithstanding the limitations contained in the Article IX provision entitled Scheduled Exempt Positions, the TRS Board of Trustees may determine the salaries of the positions listed above in the Schedule of Exempt Positions without limitation.

9. **Travel Expenditures.** Notwithstanding the limitations on travel expenditures contained in Article IX of this Act, the annual out-of-state travel cap for the Teacher Retirement System is hereby set at $425,000 for each year of the biennium. The additional authority is provided to allow TRS' investment professionals greater personal access to financial centers, investment experts, and investor information.

10. **Delay of TRS State Contributions.** Contingent on the enactment of legislation relating to the delay or deferral of certain payments and transfers by the Comptroller of Public Accounts, or similar legislation that delays the payment of state contributions to the trust fund for the Teacher Retirement System for the last quarter of fiscal year 2005 to the fiscal year 2006, appropriations above for fiscal year 2005 reflect the state contribution to TRS for the last quarter of fiscal year 2005 as being deferred to fiscal year 2006.

## OPTIONAL RETIREMENT PROGRAM

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** OPTIONAL RETIREMENT PROGRAM<br>Provide contributions to the Optional Retirement Program as administered by the Higher Education Coordinating Board. | | |
| **A.1.1. Strategy:** OPTIONAL RETIREMENT PROGRAM<br>Provide an Optional Retirement Program for faculty and certain administrative staff at public institutions of higher education. Estimated. | $ 115,840,902 | $ 117,418,754 |
| **Output (Volume):**<br>Number of ORP Participants | 39,289 | 39,682 |
| **Grand Total,** OPTIONAL RETIREMENT PROGRAM | $ 115,840,902 | $ 117,418,754 |

## OPTIONAL RETIREMENT PROGRAM
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 94,866,022 | $ | 95,395,130 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 20,974,880 | | 22,023,624 |
| **Total, Method of Financing** | $ | 115,840,902 | $ | 117,418,754 |
| **Object-of-Expense Informational Listing:** | | | | |
| Operating Costs | $ | 115,840,902 | $ | 117,418,754 |
| **Total, Object-of-Expense Informational Listing** | $ | 115,840,902 | $ | 117,418,754 |

1. **State Contribution to Optional Retirement Program.** The amount specified above in A.1.1, Optional Retirement Program, is based on a state contribution rate of 6.0 percent for each fiscal year, estimated. Institutions of higher education and the Texas Education Agency, if applicable, are required to certify estimates of state contributions required for payment to the comptroller, and the comptroller shall allocate the state contributions to institutions and the Texas Education Agency pursuant to Government Code § 830.202.

2. **Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.** Institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide the same employer contribution during the 2004–05 biennium, for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995, as they received during the 1994–95 biennium.

3. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in Article IX of this Act.

## HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** STATE CONTRIBUTION, UT SYSTEM<br>Group Insurance, State Contribution, UT System. | | |
| **A.1.1. Strategy:** UT - ARLINGTON<br>The University of Texas at Arlington. | $ 8,686,936 | $ 8,686,936 |
| **A.1.2. Strategy:** UT - AUSTIN<br>The University of Texas at Austin. | $ 26,473,200 | $ 26,473,200 |
| **A.1.3. Strategy:** UT - DALLAS<br>The University of Texas at Dallas. | $ 5,073,623 | $ 5,073,623 |
| **A.1.4. Strategy:** UT - EL PASO<br>The University of Texas at El Paso. | $ 7,279,180 | $ 7,279,180 |
| **A.1.5. Strategy:** UT - PAN AMERICAN<br>The University of Texas - Pan American. | $ 3,899,024 | $ 3,899,024 |
| **A.1.6. Strategy:** UT - BROWNSVILLE<br>The University of Texas at Brownsville. | $ 863,464 | $ 863,464 |
| **A.1.7. Strategy:** UT - PERMIAN BASIN<br>The University of Texas of the Permian Basin. | $ 933,378 | $ 933,378 |
| **A.1.8. Strategy:** UT - SAN ANTONIO<br>The University of Texas at San Antonio. | $ 6,062,252 | $ 6,062,252 |
| **A.1.9. Strategy:** UT - TYLER<br>The University of Texas at Tyler. | $ 1,777,920 | $ 1,777,920 |
| **A.1.10. Strategy:** UT SW MEDICAL - DALLAS<br>The University of Texas Southwestern Medical Center at Dallas. | $ 6,958,295 | $ 6,958,295 |
| **A.1.11. Strategy:** UT MEDICAL - GALVESTON<br>The University of Texas Medical Branch at Galveston. | $ 32,393,139 | $ 32,393,139 |
| **A.1.12. Strategy:** UTHSC - HOUSTON<br>The University of Texas Health Science Center at Houston. | $ 9,456,513 | $ 9,456,513 |
| **A.1.13. Strategy:** UTHSC - SAN ANTONIO<br>The University of Texas Health Science Center at San Antonio. | $ 10,452,154 | $ 10,452,154 |
| **A.1.14. Strategy:** UT MD ANDERSON<br>The University of Texas M. D. Anderson Cancer Center. | $ 5,547,458 | $ 5,547,458 |
| **A.1.15. Strategy:** UT HEALTH CENTER - TYLER<br>The University of Texas Health Center at Tyler. | $ 2,105,360 | $ 2,105,360 |
| **A.1.16. Strategy:** TEXAS SOUTHMOST (UT)<br>Texas Southmost College (UT Share). | $ 1,212,973 | $ 1,212,973 |
| **A.1.17. Strategy:** UT SYSTEM ADMINISTRATION<br>The University of Texas System Administration. | $ 51,554 | $ 51,554 |
| **Total, Goal A:** STATE CONTRIBUTION, UT SYSTEM | $ 129,226,423 | $ 129,226,423 |
| **B. Goal:** STATE CONTRIBUTION, A&M SYSTEM<br>Group Insurance, State Contribution, A&M System. | | |
| **B.1.1. Strategy:** TEXAS A&M UNIVERSITY | $ 25,322,176 | $ 25,322,175 |

## HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** A&M SYSTEM HEALTH SCIENCE CENTER | $ | 3,004,196 | $ | 3,004,196 |
| Texas A&M University System Health Science Center. | | | | |
| **B.1.3. Strategy:** A&M - GALVESTON | $ | 928,650 | $ | 928,650 |
| Texas A&M University at Galveston. | | | | |
| **B.1.4. Strategy:** PRAIRIE VIEW A&M | $ | 3,086,374 | $ | 3,086,374 |
| Prairie View A&M University. | | | | |
| **B.1.5. Strategy:** TARLETON STATE UNIVERSITY | $ | 2,771,051 | $ | 2,771,051 |
| **B.1.6. Strategy:** A&M - CORPUS CHRISTI | $ | 2,946,261 | $ | 2,946,261 |
| Texas A&M University - Corpus Christi. | | | | |
| **B.1.7. Strategy:** A&M - KINGSVILLE | $ | 3,373,409 | $ | 3,373,409 |
| Texas A&M University - Kingsville. | | | | |
| **B.1.8. Strategy:** A&M - INTERNATIONAL | $ | 1,546,463 | $ | 1,546,463 |
| Texas A&M International University. | | | | |
| **B.1.9. Strategy:** WEST TEXAS A&M | $ | 2,935,545 | $ | 2,935,545 |
| West Texas A&M University. | | | | |
| **B.1.10. Strategy:** TEXAS A&M UNIVERSITY - COMMERCE | $ | 3,875,820 | $ | 3,875,820 |
| **B.1.11. Strategy:** TEXAS A&M UNIVERSITY - TEXARKANA | $ | 562,496 | $ | 562,496 |
| **B.1.12. Strategy:** AG EXPERIMENT STATION | $ | 6,249,665 | $ | 6,249,665 |
| Texas Agricultural Experiment Station. | | | | |
| **B.1.13. Strategy:** COOPERATIVE EXTENSION | $ | 7,772,792 | $ | 7,772,792 |
| Texas Cooperative Extension. | | | | |
| **B.1.14. Strategy:** ENG EXPERIMENT STATION | $ | 2,446,768 | $ | 2,446,768 |
| Texas Engineering Experiment Station. | | | | |
| **B.1.15. Strategy:** TRANSPORTATION INSTITUTE | $ | 360,553 | $ | 360,553 |
| Texas Transportation Institute. | | | | |
| **B.1.16. Strategy:** ENG EXTENSION SERVICE | $ | 248,329 | $ | 248,329 |
| Texas Engineering Extension Service. | | | | |
| **B.1.17. Strategy:** TEXAS FOREST SERVICE | $ | 1,631,849 | $ | 1,631,849 |
| **B.1.18. Strategy:** WILDLIFE DAMAGE MANAGEMENT SERVICE | $ | 624,149 | $ | 624,149 |
| **B.1.19. Strategy:** VET MEDICAL DIAGNOSTIC LAB | $ | 344,815 | $ | 344,815 |
| Texas Veterinary Medical Diagnostic Laboratory. | | | | |
| **B.1.20. Strategy:** A&M SYSTEM ADMINISTRATION | $ | 42,344 | $ | 42,344 |
| Texas A&M University System Administration. | | | | |
| **Total, Goal B:** STATE CONTRIBUTION, A&M SYSTEM | $ | 70,073,705 | $ | 70,073,704 |
| **C. Goal:** STATE CONTRIBUTION, ERS | | | | |
| Group Insurance, State Contribution, Employees Retirement System. | | | | |
| **C.1.1. Strategy:** TEXAS FOOD & FIBERS COMM | $ | 19,406 | $ | 19,406 |
| Texas Food and Fibers Commission. | | | | |
| **C.1.2. Strategy:** UNIVERSITY OF HOUSTON | $ | 13,902,577 | $ | 13,902,577 |
| **C.1.3. Strategy:** UH - CLEARLAKE | $ | 2,131,072 | $ | 2,131,072 |
| University of Houston - Clear Lake. | | | | |
| **C.1.4. Strategy:** UH - DOWNTOWN | $ | 1,683,696 | $ | 1,683,696 |
| University of Houston - Downtown. | | | | |
| **C.1.5. Strategy:** UH - VICTORIA | $ | 790,298 | $ | 790,298 |
| University of Houston - Victoria. | | | | |
| **C.1.6. Strategy:** UH SYSTEM ADMINISTRATION | $ | 286,011 | $ | 286,011 |
| The University of Houston System Administration. | | | | |
| **C.1.7. Strategy:** LAMAR UNIVERSITY - BEAUMONT | $ | 4,216,274 | $ | 4,216,274 |

## HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.1.8. Strategy:** LUIT<br>Lamar University Institute of Technology. | $ | 466,395 | $ | 466,395 |
| **C.1.9. Strategy:** LAMAR UNIVERSITY - ORANGE | $ | 515,556 | $ | 515,556 |
| **C.1.10. Strategy:** LAMAR UNIV - PORT ARTHUR<br>Lamar University - Port Arthur. | $ | 864,967 | $ | 864,967 |
| **C.1.11. Strategy:** ANGELO STATE UNIVERSITY | $ | 2,495,455 | $ | 2,495,455 |
| **C.1.12. Strategy:** SAM HOUSTON STATE UNIV<br>Sam Houston State University. | $ | 4,500,737 | $ | 4,500,737 |
| **C.1.13. Strategy:** SOUTHWEST TX STATE UNIV<br>Southwest Texas State University. | $ | 7,481,854 | $ | 7,481,854 |
| **C.1.14. Strategy:** SUL ROSS STATE UNIVERSITY | $ | 1,539,594 | $ | 1,539,594 |
| **C.1.15. Strategy:** SUL ROSS STATE-RIO GRANDE COLLEGE<br>Sul Ross State University - Rio Grande College. | $ | 198,010 | $ | 198,010 |
| **C.1.16. Strategy:** TEXAS STATE SYSTEM ADMIN<br>Texas State University System Administration. | $ | 71,759 | $ | 71,759 |
| **C.1.17. Strategy:** MIDWESTERN STATE UNIV<br>Midwestern State University. | $ | 1,795,491 | $ | 1,795,491 |
| **C.1.18. Strategy:** UNIVERSITY OF NORTH TEXAS | $ | 11,398,442 | $ | 11,398,442 |
| **C.1.19. Strategy:** UNT HEALTH SCIENCE CENTER<br>University of North Texas Health Science Center at Fort Worth. | $ | 3,049,932 | $ | 3,049,932 |
| **C.1.20. Strategy:** STEPHEN F. AUSTIN<br>Stephen F. Austin State University. | $ | 4,799,515 | $ | 4,799,515 |
| **C.1.21. Strategy:** TEXAS SOUTHERN UNIVERSITY | $ | 3,207,374 | $ | 3,207,374 |
| **C.1.22. Strategy:** TEXAS TECH UNIVERSITY | $ | 15,951,691 | $ | 15,951,691 |
| **C.1.23. Strategy:** TEXAS TECH HEALTH SCI CTR<br>Texas Tech University Health Sciences Center. | $ | 10,254,921 | $ | 10,254,921 |
| **C.1.24. Strategy:** TEXAS WOMAN'S UNIVERSITY | $ | 4,848,657 | $ | 4,848,657 |
| **C.1.25. Strategy:** TSTC - HARLINGEN<br>Texas State Technical College - Harlingen. | $ | 2,005,784 | $ | 2,005,784 |
| **C.1.26. Strategy:** TSTC - WEST TEXAS<br>Texas State Technical College - West Texas. | $ | 1,340,501 | $ | 1,340,501 |
| **C.1.27. Strategy:** TSTC - WACO<br>Texas State Technical College - Waco. | $ | 3,057,097 | $ | 3,057,097 |
| **C.1.28. Strategy:** TSTC - MARSHALL<br>Texas State Technical College - Marshall. | $ | 529,554 | $ | 529,554 |
| **C.1.29. Strategy:** TSTC - SYSTEM ADMIN<br>Texas State Technical College System Administration. | $ | 129,946 | $ | 129,946 |
| **C.1.30. Strategy:** PUB COMMUNITY / JR COLLEGES<br>Public Community / Junior Colleges. | $ | 108,569,754 | $ | 108,569,755 |
| **Total, Goal C:** STATE CONTRIBUTION, ERS | $ | 212,102,320 | $ | 212,102,321 |
| **Grand Total,** HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS | $ | 411,402,448 | $ | 411,402,448 |

**Object-of-Expense Informational Listing:**

| | | | | |
|---|---|---|---|---|
| Other Personnel Costs | $ | 411,402,448 | $ | 411,402,448 |
| **Total, Object-of-Expense Informational Listing** | $ | 411,402,448 | $ | 411,402,448 |

## HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

1. **State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Insurance Program.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees; and

   b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

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

   General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education paying for health insurance costs from non-General Revenue funds shall provide the same levels of premium-sharing for State Kids Insurance Program enrollees as provided for those higher education employees with health insurance paid from General Revenue funds.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

2. **The University of Texas System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

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

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The University of Texas System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of The University of Texas System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by The University of Texas System. Active and retired employees participating in these plans may only use one-

half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

3. **Texas A&M System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

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

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The Texas A&M System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of the Texas A&M System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by the Texas A&M System. Active and retired employees participating in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

4. **Transfer Authority.** Out of the funds appropriated above:

   a. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from those institutions participating in the Employees Retirement System's Uniform Group Insurance Program to the Employees Life, Accident, and Health Insurance and Benefits Fund No. 973, for use by the Employees Retirement System for each higher education institution which participates in the group insurance program of the Employees Retirement System.

   b. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from state contributions for institutions belonging to the University of Texas and Texas A&M Systems, to The University of Texas System Office and the Texas A&M University System Office, for use by each institution's group insurance program.

5. **Specification of Appropriations.** The amount of the appropriation made for Strategy C.1.30, Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.

6. **Appropriations Transfers.**

   a. Funds appropriated above to institutions other than those belonging to the University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual general revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for general revenue group insurance

premiums at any of the higher education institutions named above. Funds appropriated above to components of the University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.

b. The Employees Retirement System, the University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers.

c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, $2,846,791 in fiscal year 2004 and $2,846,791 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for correctional managed health care employees participating in the Employees Retirement System Uniform Group Insurance Program. Out of the funds appropriated above in Strategy C.1.23, Texas Tech University Health Sciences Center, $3,320,453 in fiscal year 2004 and $3,320,453 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for employees paid from managed health care contracts associated with Texas Youth Commission and Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

7. **Unexpended Balances, Higher Education Group Insurance Contributions.** Any unexpended balances remaining as of August 31, 2004 for individual institutions of higher education receiving General Revenue group insurance contributions in this appropriation are hereby appropriated for the same purposes in fiscal year 2005.

## HIGHER EDUCATION COORDINATING BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** CLOSE THE GAPS IN HIGHER EDUCATION<br>Close the gaps in participation, success, excellence, and research by coordinating higher education in Texas and promoting quality and access in all aspects of higher education. | | |
| **Outcome (Results/Impact):** | | |
| Percent Increase in Fall Student Headcount Enrollment since Fall 2000 | 15% | 17.8% |
| Percent Increase in Bachelor's Degrees, Associate's Degrees, and Certificates Awarded Since Those Awarded Fall 1999 Through Summer 2000 | 7.9% | 9.6% |
| Retention Rate of Students Completing Required Developmental Education | 83% | 83% |
| Percentage of Students Completing First Year of College in a Texas Institution of Higher Learning Without Being Required to Take Developmental Education Courses | 75% | 75% |
| Percentage of Community College Technical Programs Evaluated | 25% | 25% |
| Percentage Increase in Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998 | 33% | 36.2% |
| **A.1.1. Strategy:** PROMOTE PARTICIPATION AND SUCCESS<br>Close the gaps in participation and success by administering grants and scholarship programs and by promoting access to higher education. | $ 3,996,915 | $ 3,996,915 |

## HIGHER EDUCATION COORDINATING BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Increase in Fall Student Headcount Enrollment since Fall 2000 | | 90,000 | | 120,000 |
| Increase in the Number of Bachelor's Degrees, Associate's Degrees, and Certificates Reported Since Those Awarded Fall 1999 Through Summer 2000 | | 9,000 | | 11,000 |
| Number of Grants or Scholarships Awarded | | 117,987 | | 117,987 |
| Amount of Grant and Scholarship Funds Distributed (In Millions) | | 254 | | 254 |
| **Explanatory:** | | | | |
| Percentage of University Students Completing TASP-required Developmental Education Within Two Semesters or Less | | 40% | | 40% |
| Percentage of Community and Technical College Students Completing TASP-required Developmental Education Within Two Semesters or Less | | 20% | | 20% |
| Dollars Appropriated for Developmental Education | | 85,540,000 | | 85,540,000 |
| Percentage of University Students Graduating Within Six Years | | 52% | | 52% |
| Percentage of Students Enrolled in Colleges Who Are African-American or Hispanic | | 37.5% | | 37.6% |
| Percentage of Anglo High School Graduates Who Are Enrolled in a Texas Public College or University | | 60% | | 61% |
| Percentage of African-American High School Graduates Who Are Enrolled in a Texas Public College or University | | 54% | | 54% |
| Percentage of Hispanic High School Graduates Who Are Enrolled in a Texas Public College or University | | 54% | | 54% |
| Percentage of Other High School Graduates Who Are Enrolled in a Texas Public College or University | | 75% | | 75% |
| **A.1.2. Strategy:** HINSON-HAZLEWOOD LOAN PROGRAM | $ | 4,696,129 | $ | 4,696,129 |
| Administer the Hinson-Hazlewood College Student Loan Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Receiving Loans | | 7,418 | | 7,529 |
| Dollar Amount of Outstanding Loans (In Thousands) | | 632,500 | | 632,500 |
| **Efficiencies:** | | | | |
| Default Rate on Hinson-Hazlewood Loans | | 7.9% | | 7.9% |
| **A.2.1. Strategy:** CLOSE THE GAPS IN EXCELLENCE | $ | 1,447,469 | $ | 1,447,469 |
| Close the gaps in excellence by coordinating and evaluating university programs, community and technical college programs, and health programs. | | | | |
| **Output (Volume):** | | | | |
| Number of Proprietary School and Community and Technical College Programs Reviewed | | 1,000 | | 1,000 |
| **A.2.2. Strategy:** CLOSE THE GAPS IN RESEARCH | $ | 325,507 | $ | 325,507 |
| Close the gaps in research by administering and evaluating research programs. | | | | |
| **Output (Volume):** | | | | |
| Dollar Value of Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998 | | 1,124,540,412 | | 1,151,305,118 |
| Dollars of Additional Funding Received as a Result of Advanced Technology Program or Advanced Research Program Funding (In Thousands) | | 0 | | 160,000 |
| **A.3.1. Strategy:** CLOSE GAPS - PLANNING/INFORMATION | $ | 1,735,522 | $ | 1,735,522 |
| Close the higher education gaps by providing planning and information services. | | | | |
| **Output (Volume):** | | | | |
| Number of Studies on Higher Education Conducted | | 25 | | 25 |
| **Total, Goal A:** CLOSE THE GAPS IN HIGHER EDUCATION | $ | 12,201,542 | $ | 12,201,542 |

| | | | | |
|---|---|---|---|---|
| **B. Goal:** CLOSE THE GAPS - AFFORDABILITY<br>Close the gaps in participation and success by providing trusteed funds to institutions and students through special programs designed to improve the affordability of higher education. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Number of Students Attending Independent Colleges and Universities as a Percentage of Total Enrollment | | 10% | | 10% |
| **B.1.1. Strategy:** TUITION EQUALIZATION GRANT PROGRAM | $ | 65,683,556 | $ | 65,683,556 |
| Tuition Equalization Grants (TEG) Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Receiving TEG Awards | | 26,118 | | 26,118 |
| Average TEG Award | | 2,500 | | 2,500 |
| Retention Rate of TEG Recipients after One Academic Year | | 60% | | 60% |
| Percentage of TEG Recipients Who Earn a Baccalaureate Degree Within Six Academic Years | | 50% | | 50% |
| Percentage of TEG Recipients Who Are Minority Students | | 39% | | 39% |
| **B.1.2. Strategy:** TEXAS COLLEGE WORK STUDY PROGRAM | $ | 6,720,097 | $ | 6,720,097 |
| **Output (Volume):** | | | | |
| Number of Students Employed | | 2,007 | | 2,007 |
| **B.1.3. Strategy:** PUBLIC STUDENT INCENTIVE GRANT PGM | $ | 1,433,414 | $ | 1,433,414 |
| Public Student Incentive Grant Program. | | | | |
| **B.1.4. Strategy:** COLLEGE READINESS ASSESSMENT | $ | 64,168 | $ | 64,168 |
| College Readiness Assessment Fee Waiver Program. | | | | |
| **B.1.5. Strategy:** LICENSE PLATE SCHOLARSHIPS | $ | 66,000 | $ | 66,000 |
| License Plate Scholarships Program. | | | | |
| **B.1.6. Strategy:** FIFTH-YEAR ACCOUNTING STUDENTS | $ | 660,158 | $ | 660,158 |
| Fifth-year accounting students program. | | | | |
| **B.1.7. Strategy:** EARLY HS GRADUATION PROGRAM | $ | 2,300,000 | $ | 2,300,000 |
| Early High School Graduation Scholarship Program. | | | | |
| **B.1.8. Strategy:** TANF SCHOLARSHIP PROGRAM | $ | 225,000 | $ | 225,000 |
| Temporary Assistance for Needy Families Scholarship Program. | | | | |
| **B.1.9. Strategy:** CERTIFIED EDUCATIONAL AIDE PROGRAM | $ | 3,000,000 | $ | 3,000,000 |
| **B.1.10. Strategy:** TEXAS GRANT PROGRAM | $ | 178,100,716 | $ | 178,100,716 |
| Toward EXcellence, Access, and Success (TEXAS) Grant Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Receiving TEXAS Grants | | 70,950 | | 70,950 |
| Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Universities | | 66.3% | | 66.3% |
| Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Community and Junior Colleges | | 63.9% | | 63.9% |
| Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Technical Colleges | | 92.3% | | 92.3% |
| Percentage of TEXAS Grant Recipients Who Earn a Baccalaureate Degree Within Six Academic Years | | 60% | | 60% |
| Percentage of TEXAS Grant-eligible High School Graduates Who Receive a TEXAS Grant upon Enrollment in a Higher Education Institution | | 19.2% | | 19.2% |
| **B.1.11. Strategy:** TEACH FOR TEXAS CONDITIONAL GRANTS | $ | 5,840,000 | $ | 5,840,000 |
| Teach for Texas Conditional Grant Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Students Receiving Teach for Texas Conditional Grants | | 985 | | 985 |
| **B.1.12. Strategy:** CHILD-CARE WORKER LOAN REPAY | $ | 20,000 | $ | 16,000 |
| Early childhood child-care worker student loan repayment program. | | | | |

| | | | | |
|---|---|---|---|---|
| **B.1.13. Strategy:** BORDER FACULTY LOAN REPAYMENT PGM<br>Border Faculty Loan Repayment Program. | $ | 437,500 | $ | 437,500 |
| **B.1.14. Strategy:** TEXAS GRANT II PROGRAM<br>Toward EXcellence, Access, and Success (TEXAS) Grant II Program. | $ | 4,855,000 | $ | 4,855,000 |
| **Total, Goal B:** CLOSE THE GAPS - AFFORDABILITY | $ | 269,405,609 | $ | 269,401,609 |
| **C. Goal:** CLOSE THE GAPS - RESEARCH<br>Close the gaps in research by providing trusteed funds to institutions and students through special programs designed to enhance and facilitate research at Texas institutions. | | | | |
| **C.1.1. Strategy:** ADVANCED RESEARCH PROGRAM | $ | 16,409,621 | $ | UB |
| **Output (Volume):** | | | | |
| Number of ARP Research Projects Funded | | 131 | | 0 |
| **C.1.2. Strategy:** ADVANCED TECHNOLOGY PROGRAM | $ | 33,362,514 | $ | UB |
| **Output (Volume):** | | | | |
| Number of ATP Research Projects Funded | | 187 | | 0 |
| **Total, Goal C:** CLOSE THE GAPS - RESEARCH | $ | 49,772,135 | $ | 0 |
| **D. Goal:** CLOSE THE GAPS - HEALTH PROGRAMS<br>Close the gaps in Texas by providing trusteed funds to institutions and students through special programs designed to improve health care related to education. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Baylor College of Medicine Graduates Entering Texas Residency Programs | | 55% | | 55% |
| Percentage of Baylor College of Medicine Graduates Entering Primary Care Residency Programs | | 55% | | 55% |
| Percentage of Baylor College of Medicine Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | | 99% | | 99% |
| Percentage of Family Practice Residency Program Completers Practicing in Medically Underserved Areas or Health Professional Shortage Areas | | 6.2% | | 6.2% |
| Percentage of Family Practice Residency Program Completers Practicing in Texas | | 86% | | 86% |
| **D.1.1. Strategy:** BAYLOR COLLEGE OF MEDICINE | $ | 27,020,397 | $ | 27,020,397 |
| **Output (Volume):** | | | | |
| Average Amount per BCOM Student | | 47,404 | | 47,404 |
| **D.1.2. Strategy:** FAMILY PRACTICE RESIDENCY PROGRAM | $ | 9,330,448 | $ | 9,330,448 |
| **Output (Volume):** | | | | |
| Number of FPRP Residents Supported | | 690 | | 690 |
| Average Funding per FPRP Resident | | 12,703 | | 12,703 |
| **D.1.3. Strategy:** PRECEPTORSHIP PROGRAM | $ | 500,000 | $ | 500,000 |
| **Output (Volume):** | | | | |
| Number of Medical Students Participating in the Internal Medicine Statewide Preceptorship Program | | 201 | | 210 |
| Number of Medical Students Participating in the Pediatric Statewide Preceptorship Program | | 179 | | 188 |
| **D.1.4. Strategy:** PRIMARY CARE RESIDENCY PROGRAM | $ | 2,633,399 | $ | 2,633,400 |
| **D.1.5. Strategy:** GRADUATE MEDICAL EDUCATION<br>Graduate Medical Education Program. | $ | 3,500,000 | $ | 3,500,000 |
| **D.1.6. Strategy:** JOINT ADMISSION MEDICAL PROGRAM | $ | 3,500,000 | $ | UB |
| **D.1.7. Strategy:** PHYSICIAN'S EDUCATION LOAN PROGRAM<br>Physician's Education Loan Repayment Program. | $ | 979,402 | $ | 979,403 |
| **D.1.8. Strategy:** PROFESSIONAL NURSING AID<br>Financial aid for professional nursing students. | $ | 263,830 | $ | 263,830 |

| | | | | |
|---|---|---|---|---|
| **D.1.9. Strategy:** VOCATIONAL NURSING AID | $ | 50,463 | $ | 50,463 |
| Financial aid for licensed vocational nursing students. | | | | |
| **D.1.10. Strategy:** DENTIST'S EDUCATION LOAN PROGRAM | $ | 117,747 | $ | 117,747 |
| Dentist's Education Loan Repayment Program. | | | | |
| **Total, Goal D:** CLOSE THE GAPS - HEALTH PROGRAMS | $ | 47,895,686 | $ | 44,395,688 |
| **E. Goal:** CLOSE GAPS - QUALITY/PARTICIPATION | | | | |
| Close the gaps in Texas higher education by providing trusteed funds to institutions through special programs designed to improve the quality and delivery of instruction and also increase the participation and success of Texans. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Pass Rate of Education EXCET Exam at Centers for Teacher Education | | 70% | | 70% |
| **E.1.1. Strategy:** DEVELOPMENTAL EDUCATION PROGRAM | $ | 3,000,000 | $ | 3,000,000 |
| **E.1.2. Strategy:** STARLINK | $ | 137,215 | $ | 137,215 |
| **E.1.3. Strategy:** TEACHER EDUCATION | $ | 3,267,203 | $ | 3,267,202 |
| Centers for Teacher Education (Texas Association of Developing Colleges). | | | | |
| **Output (Volume):** | | | | |
| Number of Students Enrolled in TADC Educator Preparation Programs | | 225 | | 235 |
| Number of Graduates of TADC Educator Preparation Programs | | 98 | | 105 |
| **E.1.4. Strategy:** TWO-YEAR ENROLLMENT GROWTH | $ | 11,500,000 | $ | 11,500,000 & UB |
| Two-year Institution Enrollment Growth. | | | | |
| **E.1.5. Strategy:** GENERAL ACADEMIC ENROLLMENT GROWTH | $ | 2,000,000 | $ | 2,000,000 |
| **E.1.6. Strategy:** TECHNOLOGY WORKFORCE DEVELOPMENT | $ | 3,448,204 | $ | 3,448,206 |
| **Total, Goal E:** CLOSE GAPS - QUALITY/PARTICIPATION | $ | 23,352,622 | $ | 23,352,623 |
| **F. Goal:** FEDERAL GRANT PROGRAMS | | | | |
| Close the gaps in participation and success by providing federal funds to institutions and students to improve higher education in Texas. | | | | |
| **F.1.1. Strategy:** STUDENT FINANCIAL AID | $ | 6,203,617 | $ | 6,203,617 |
| Student financial assistance programs. | | | | |
| **F.1.2. Strategy:** TECHNICAL/VOCATIONAL PROGRAMS | $ | 45,744,613 | $ | 45,744,613 |
| Technical-vocational education programs. | | | | |
| **F.1.3. Strategy:** TEACHER QUALITY GRANTS PROGRAMS | $ | 4,280,785 | $ | 4,280,785 |
| **Total, Goal F:** FEDERAL GRANT PROGRAMS | $ | 56,229,015 | $ | 56,229,015 |
| **G. Goal:** INDIRECT ADMINISTRATION | | | | |
| **G.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,200,887 | $ | 2,027,329 |
| **G.1.2. Strategy:** INFORMATION RESOURCES | $ | 5,042,566 | $ | 4,685,419 |
| **G.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 2,166,975 | $ | 1,941,895 |
| **Total, Goal G:** INDIRECT ADMINISTRATION | $ | 9,410,428 | $ | 8,654,643 |
| **Grand Total,** HIGHER EDUCATION COORDINATING BOARD | $ | 468,267,037 | $ | 414,235,120 |

## HIGHER EDUCATION COORDINATING BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 389,447,895 | $ | 336,175,761 |
| Earned Federal Funds, estimated | | 1,245,785 | | 490,000 |
| Subtotal, General Revenue Fund | $ | 390,693,680 | $ | 336,665,761 |
| General Revenue Fund - Dedicated | | | | |
| Dental School Tuition Set Aside | | 117,747 | | 117,747 |
| Telecommunications Infrastructure Fund No. 345 | | 329,750 | | 329,750 |
| Scholarship Fund for Fifth Year Accounting Students Account No. 106, estimated | | 710,158 | | 710,158 |
| Medical School Tuition Set Aside Account No. 542, estimated | | 700,000 | | 700,000 |
| Texas Collegiate License Plate Program Account No. 5015, estimated | | 50,000 | | 50,000 |
| Houston Livestock Show and Rodeo Scholarships Fund Account No. 5034, estimated | | 6,000 | | 6,000 |
| Girl Scout License Plates, estimated | | 10,000 | | 10,000 |
| Technology Workforce Development Account No. 5079, estimated | | 1,802,102 | | 1,802,103 |
| Subtotal, General Revenue Fund - Dedicated | $ | 3,725,757 | $ | 3,725,758 |
| Federal Funds | | 56,229,015 | | 56,229,015 |
| Other Funds | | | | |
| Appropriated Receipts, estimated | | 1,844,102 | | 1,844,103 |
| Certificate of Authority Fees, estimated | | 18,000 | | 18,000 |
| Interagency Contracts | | 20,000 | | 16,000 |
| Certification and Proprietary School Fees, estimated | | 137,987 | | 137,987 |
| Interagency Contracts - Transfer from Foundation School Fund No. 193, estimated | | 5,525,000 | | 5,525,000 |
| Student Loan Funds, estimated | | 10,013,496 | | 10,013,496 |
| Tax Reimbursement Grants, estimated | | 60,000 | | 60,000 |
| Subtotal, Other Funds | $ | 17,618,585 | $ | 17,614,586 |
| **Total, Method of Financing** | $ | 468,267,037 | $ | 414,235,120 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 283.5 | | 283.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner of Higher Education | | $150,000 | | $150,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 137,304 | $ | 0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 13,135,258 | $ | 12,604,553 |
| Other Personnel Costs | | 273,743 | | 273,743 |
| Operating Costs | | 7,512,831 | | 7,287,751 |
| Client Services | | 86,822,001 | | 86,680,698 |
| Grants | | 358,295,096 | | 305,022,963 |
| Capital Expenditures | | 2,365,412 | | 2,365,412 |
| **Total, Object-of-Expense Informational Listing** | $ | 468,404,341 | $ | 414,235,120 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) PC Hardware Replacement Program and Upgrades | $ | 159,854 | $ | 159,854 |
| (2) Telecommunications Hardware Acquisitions and Upgrades | | 78,750 | | 78,750 |
| (3) Software Licensing Purchases and Upgrades | | 43,750 | | 43,750 |
| (4) Information Access Initiative Hardware/Software | | 65,625 | | 65,625 |
| (5) Student Loan Information System Server Migration Project | | 1,480,487 | | 1,533,557 |
| Total, Capital Budget | $ | 1,828,466 | $ | 1,881,536 |

| Method of Financing (Capital Budget): | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 169,412 | $ | 169,412 |
| Other Funds | | 1,593,429 | | 1,646,499 |
| GR Dedicated - Telecommunications Infrastructure Fund No. 345 | | 65,625 | | 65,625 |
| Total, Method of Financing | $ | 1,828,466 | $ | 1,881,536 |

2. **Commissioner's Salary.** The Coordinating Board is hereby authorized to utilize $77,851 per year from general revenue funds appropriated to Goal H, in 2004 and 2005 and any earned funds for the purpose of funding the salary of the Commissioner of Higher Education at a rate NTE $150,000 per year in 2004 and 2005.

3. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Coordinating Board to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.

4. **Student Loan Program.** All moneys in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, §§ 50b and 50b-1, 50b-2, 50b-3, 50b-4, and 50b-5 of the Texas Constitution and Education Code §§ 52.01-52.90 and 56.121-56.135.

5. **Texas Public Educational Grants Program.** Unless a different percentage is set by passage of legislation amending the Texas Education Code, it is the intent of the Legislature that the amount of tuition to be set aside for the Texas Public Educational Grants Program shall be 15 percent in fiscal years 2004 and 2005.

6. **Physician's Education Loan Repayment Program.** The funds provided to Strategy D.1.7, Physician's Education Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements.

7. **Baylor College of Medicine.** From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The cost of medical education per student at public medical schools as determined by the Coordinating Board shall include General Revenue appropriations for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education.

8. **Texas Academic Skills Program.**

   a. Developmental Education Programs. Funds appropriated for developmental programs under Education Code § 51.306, shall be expended only for those costs associated with the operation of the developmental education program including instruction, tutorial, peer counseling, evaluation, retraining of faculty, and related costs for administration of the program. The funds shall not be used for the recruitment of students.

   b. Funds appropriated above in Strategy E.1.1, Developmental Education Program, are to be allocated according to a formula developed by the Coordinating Board based on the following criteria: the number of general academic institution students who successfully complete developmental education during the previous fiscal year; the number of community and technical college students who successfully complete developmental education or demonstrate substantial improvement in academic preparation during the previous fiscal year; and no more than 27 percent of the funds appropriated shall be designated for general academic institutions. The allocation shall be based on the success demonstrated by students within two years of first entering developmental education.

      In allocating these funds, it is the intent of the Legislature that funding should be allocated to individual institutions in such a way that remedying large deficiencies in college readiness or demonstrating substantial progress in remedying deficiencies will result in proportionately more funding than remedying minor deficiencies in college readiness.

   c. TASP Test Fee Waivers. Funds appropriated for Strategy B.1.4, College Readiness Assessment Fee Waiver Program, shall be expended by the Coordinating Board for providing test fee waivers for needy students.

   d. Intent Concerning Developmental Needs. It is the intent of the Legislature that all affected institutions of public higher education fully address developmental needs identified by the Texas Academic Skills Program with appropriations made in this Act for the Developmental Education Program and other institutional funds available.

9. **Residency Eligibility.** It is legislative intent that any student who is eligible for Texas resident tuition at a tax-supported institution is eligible for the Tuition Equalization Grants Program, provided all other requirements established by the Coordinating Board have been met by that student. None of the funds appropriated in this Act to the Coordinating Board for Tuition Equalization Grants may be expended for grants to non-resident students attending independent colleges or universities in Texas except for grants to National Merit Finalists.

10. **Research Programs.** The appropriations made by this Act for the Advanced Research Program and the Advanced Technology Program shall be distributed in accordance with the provisions of Education Code, Chapters 142 and 143. However, no more than 70 percent of the funds

allocated for each program shall be designated for The University of Texas and the Texas A&M University Systems in the 2004-05 biennium. Institutions receiving transfers of funds under these programs shall report to the Coordinating Board in accordance with the provisions of Education Code § 142.005 and § 143.006. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds allocated for both research programs are exempt from Texas Building and Procurement Commission rules and regulations.

11. **TEG Need Survey and Reporting Requirements.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

12. **Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning student financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by August 1 of each calendar year.

13. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to $363,000 in 2004 and $363,000 in 2005 for one month rural rotation or one month public health rotation for family practice residents in accordance with the provision of Education Code § 51.918.

14. **Internal Auditor Required.** From funds appropriated above in Goal G, the Coordinating Board shall employ at least one full-time internal auditor.

15. **Dramatic Enrollment Growth Funding for Two-Year Institutions.** Funds appropriated above in Strategy E.1.4, Two-Year Institution Enrollment Growth, are to be used only to assist Public Community/Junior College Districts, Texas State Technical College components, and the Lamar State Colleges that experience dramatic rates of growth in contact hours during the 2004–05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. Of the amounts appropriated in Strategy E.1.4, the Coordinating Board shall set aside $15 million for the 2004-05 biennium to fund district wide growth at community colleges with new campuses as follows: $9,569,989 for North Harris Montgomery Community College; $2,006,043 for Laredo Community College; $3,189,906 for Houston Community College; and $234,062 for Cisco Junior College. The allocation of these funds shall be based on the criteria in subsections (b) and (c). Colleges benefitting from this set aside are not eligible for remaining funds appropriated in Strategy E.1.4. Allocations shall be for actual new contact hours generated at the new campus during the biennium. Any unallocated funds shall be available for allocation under subsections (b) and (c).

    b. Funds available after funding subsection (a) in fiscal year 2004 shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 15 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for contact hour growth greater than 15 percent. For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC

components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 30 percent between Fall 2002 and Fall 2004 semesters. Funding shall be provided only for contact hour growth greater than 30 percent.

c. If funds are available after funding subsection (a) and (b), in fiscal year 2004, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses greater than 8 percent between the Fall 2002 and Fall 2003 semesters and are not included under subsection (b). For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses greater than 16 percent between Fall 2002 and Fall 2004 semesters and are not included under subsection (b). For funds allocated under this subsection, the Texas Higher Education Coordinating Board shall deduct the first 8 percent of contact hour growth for each eligible two-year community college district, TSTC component, or Lamar State College.

16. **Minority Doctoral Incentive Program.** Out of funds appropriated to the Minority Doctoral Incentive Program in Senate Bill 1, Seventy-seventh Legislature, for the biennium ending August 31, 2002, $137,304 is hereby appropriated for the biennium ending August 31, 2005.

17. **Graduate Medical Education.** Funds appropriated above in Strategy D.1.5, Graduate Medical Education Program, are for the purpose of supporting the educational costs of primary care graduate medical education programs. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed $12,500 in each fiscal year for each filled residency position. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. The first $3,500,000 in appropriated funds in any fiscal year shall be expended for eligible primary care residency positions. Appropriated funds in excess of $3,500,000 in any fiscal year shall be expended for each residency position filled by a graduate of a school of medicine or osteopathy accredited by the Liaison Committee on Medical Education or the American Osteopathic Association such that a primary care position shall receive 1.2 times the amount received by any other residency position. The Higher Education Coordinating Board shall promulgate rules for the equitable distribution of these funds.

18. **Earned Federal Funds.** All unexpended balances of Earned Federal Funds remaining as of August 31, 2003, are appropriated above for the same purposes for use during the biennium beginning September 1, 2004. Any balances on hand at the end of fiscal year 2004 may be carried over to fiscal year 2005 and such funds are appropriated for fiscal year 2005. The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitation:

    At least 14 days prior to any use of any earned federal funds the Coordinating Board shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor.

19. **Teacher Education Centers.** Funds appropriated above in Strategy E.1.3, Centers for Teacher Education, are to be used for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges. Consideration shall be given to teacher education centers at Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, Huston-Tillotson College in Austin, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, mathematics and science laboratories. The board may require periodic submission of data and reports as the board considers necessary to assess

the overall performance of the centers. The board may obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions.

The Teacher Education Centers have formed a Distance Learning Consortium that is coordinated by Huston-Tillotson College. It is the intent of the Legislature that funds appropriated above in Strategy E.1.3, Centers for Teacher Education, from the Telecommunications Infrastructure Fund No. 345, shall be used to upgrade distance learning through Huston-Tillotson College.

20. **Cost Recovery for the Common Application Form.** The Texas Higher Education Coordinating Board is hereby authorized to collect funds from each general academic institution to recover costs related to the electronic common application form. The amount collected from each institution shall be proportional to the number of applications received. The funds collected shall only recover direct costs and only be used for the purposes of the electronic common application form.

21. **Retention of Economically Disadvantaged Students.** The Higher Education Coordinating Board shall include in the annual performance report the percentage of economically disadvantaged freshmen retained at public institutions of higher education as defined by the Legislative Budget Board and the Governor in consultation with the State Auditor's Office.

22. **Disparity Study for Institutions of Higher Education.** The disparity study conducted by the Comptroller of Public Accounts pursuant to General Appropriations Act, § 16, page I-24, Seventy-fifth Legislature, to determine whether past acts of discrimination by institutions of higher education have created any present effects of such past discrimination may be continued by the Texas Higher Education Coordinating Board. The Coordinating Board may maintain and update as necessary the database developed for the disparity study. The Texas Education Agency and each institution of higher education receiving appropriations may cooperate with the Coordinating Board to continue the disparity study and to provide data to maintain and update the database. The Coordinating Board, the Texas Education Agency, and each institution of higher education that participates in the study shall comply with all applicable state and federal laws governing the confidentiality and privacy of the data used in the study.

23. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Higher Education Coordinating Board and Baylor College of Medicine also receive appropriations in Article XII, Tobacco Settlement Receipts. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, §§ 63.002 (c), (d), and (f), estimated to be $1,915,830 to Baylor College of Medicine in each year of the 2004–05 biennium; 63.102 (c), (d), and (f), estimated to be $1,125,000 to Baylor College of Medicine in each year of the 2004–05 biennium; 63.202 (c) and (d), estimated to be $2,025,000 to Higher Education Coordinating Board in each year of the 2004–05 biennium; and 63.302 (c) and (e), estimated to be $1,125,000 to Higher Education Coordinating Board in each year of the 2004–05 biennium.

24. **Information Access Initiative.** The Higher Education Coordinating Board shall coordinate with the Texas Education Agency and the State Board for Educator Certification regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data in implementing its Information Access Initiative. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

25. **Enrollment Growth Funding for General Academic Institutions.** Funds appropriated above in Strategy E.1.5, General Academic Enrollment Growth, are to be used only to assist public general academic institutions which experience dramatic rates of growth in weighted semester credit hours during the 2004–05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. For fiscal year 2004, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 3 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for growth in weighted semester credit hours greater than 3 percent. For fiscal year 2005, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 6 percent between Fall 2002 and Fall 2004. Funding shall be provided only for growth in weighted semester credit hours greater than 6 percent.

26. **Admission Referral System Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board and its Common Application Committee shall design and implement a pilot program for a college admission referral system to be administered at no cost to students. The University of Texas at Austin will assist the Coordinating Board in developing the pilot program by providing the necessary modifications to the Common Application System. The pilot system should be designed to refer and facilitate the admission of students who have been denied admission to the institution of their first choice to other Texas public higher education institutions. In no way should the pilot program interfere with existing provisional admission programs already in place at higher education institutions. Participation by institutions in the pilot program shall be on a voluntary basis. The pilot program began operation with the Fall 2002 semester.

    The Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the pilot program no later than November 1, 2003 and November 1, 2004.

27. **Toward Excellence, Access, and Success (TEXAS) Grant Program.** Out of the funds appropriated above in Strategy B.1.10, Toward Excellence, Access, and Success (TEXAS) Grant Program, and funds transferred into the TEXAS Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

28. **Toward Excellence, Access, and Success (TEXAS) Grant II Program.** Out of the funds appropriated above in Strategy B.1.14, Toward Excellence, Access, and Success (TEXAS) Grant II Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

29. **Higher Education Assistance Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board shall administer and coordinate the Higher Education Enrollment Assistance Pilot Program to:

    a. Provide prospective students in high schools with college-going rates in the lowest 10 percent of all public high schools with information related to enrollment in public or private or independent institutions of higher education, including admissions and financial aid information; and

    b. Assist prospective students in these sites with completing applications related to enrollment in higher education institutions, including admissions and financial aid applications.

The Coordinating Board shall provide the information and assistance required and it shall select an institution of higher education or other entity to provide the information and assistance required at each site. The Coordinating Board may contract with the institution to host enrollment events.

30. **Teach for Texas Conditional Grant Program.**

    a. Of the funds appropriated above in Strategy B.1.11, Teach for Texas Conditional Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

    b. Any payments received from students are hereby appropriated for the same purposes as the original Teach for Texas Conditional Grant Program.

31. **Border Faculty Loan Repayment Program.** The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.10, TEXAS Grant Program, to the Border Faculty Loan Repayment Program, and any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

32. **Dentist's Education Loan Repayment Program.** The funds provided to Strategy D.1.10, Dentist's Education Loan Repayment Program, are appropriated in accordance with Education Code, §§ 61.901 - 61.910, for repayment of eligible student loans received by a dentist who meets the stipulated requirements.

33. **P-16 Council.** It is the intent of the Legislature that the Higher Education Coordinating Board, the Texas Education Agency, and the State Board for Educator Certification continue the activities and operation of the P-16 Council.

34. **Graduation and Persistence Rates.** The Coordinating Board shall report graduation and persistence rates, for each public general academic institution, to the Governor and Legislature no later than September 1, 2004. For each institution, the report shall include:

    a. Six-year graduation rate (same institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at that institution.

    b. Six-year graduation rate (another institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at another public higher education institution.

    c. Six-year persistence rate (same institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in the same Texas public general academic higher education institution six years after becoming a full-time student at that institution.

    d. Six-year persistence rate (another institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in a Texas public general academic higher education institution six years after becoming a full-time student at another Texas public higher education institution.

    e. Composite graduation and persistence rate - Sum of the graduation and persistence rates in subsections (a) through (d) above.

35. **Strategic Plan for Teacher Certification.** Out of funds appropriated above, the Higher Education Coordinating Board shall develop and implement a strategic plan to increase the number of certified teachers in the state to diminish the shortage of certified teachers in the classrooms. The Coordinating Board shall collaborate with the Texas Education Agency, the State Board for Educator Certification, the Texas Workforce Commission, the Governor, and the Legislature in development and implementation of the strategic plan.

    In order to facilitate implementation of the strategic plan for teacher certification, the Coordinating Board shall work with the Texas Education Agency, the State Board for Educator Certification, school districts, and professional educator associations to maintain a teacher certification web page. The web page shall convey information on traditional and alternative certification programs and related employment opportunities in such a format that resources are linked and data is easily accessible and navigable to those interested in pursuing a career in teaching.

36. **Financial Aid Maximum for Students Attending Independent Colleges and Universities.** The total amount of financial aid a student is eligible to receive from a TEXAS Grant and the Tuition Equalization Grant is limited to the maximum amount of the Tuition Equalization Grant as determined by law. In no case shall higher tuition at a private institution make it possible for a student to receive more state grant aid than 50 percent of the average state appropriation for an FTE student at a state public institution in the previous biennium. Furthermore, in no case shall the total amount of financial aid from the TEXAS Grant and Tuition Equalization Grant a student is eligible to receive be interpreted as the total amount of tuition and required fees charged to a student for the semester of award at a private institution.

    It is the intent of the Legislature that the state shall give priority in TEXAS Grant funding to students with the greatest financial need who attend public colleges and universities.

37. **Diversity at Independent Colleges and Universities Which Receive TEG.** Independent colleges and universities which enroll students receiving Tuition Equalization Grant funds appropriated by this Act shall provide annual reports to the Higher Education Coordinating Board regarding the diversity of their student body, faculty, executive committee, and governing boards. These reports shall be submitted by October 1 of each year.

38. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Higher Education Coordinating Board are made contingent on the continuation of the Higher Education Coordinating Board by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

39. **Fifth-Year Accounting Students Scholarship Program.** The funds provided to Strategy B.1.6, Fifth-Year Accounting Students Program, are appropriated in accordance with Education Code §§ 61.751 - 61.760 to provide scholarships to eligible fifth-year accounting students.

40. **Technology Workforce Development.** The funds provided in Strategy E.1.6, Technology Workforce Development, are appropriated in accordance with Education Code, §§ 51.831 - 51.840. Unexpended balances from funds appropriated to the Technology Workforce Development Grants Program in Senate Bill 1, Seventy-seventh Legislature, for fiscal year 2003 are hereby appropriated for the same purposes for the 2004-05 biennium. Of the funds appropriated above in Strategy E.1.6, Technology Workforce Development, any unexpended balances in fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

41. **Reporting by Texas Higher Education Coordinating Board.** It is the intent of the Legislature that the Texas Higher Education Coordinating Board include in its Legislative Appropriations Request for the 2006-07 biennium, information on actual expenditures and budgeted

expenditures for the Baylor College of Medicine, which receives distributions from the Permanent Health Fund for Higher Education and the Permanent Endowment Fund for Baylor College of Medicine.

42. **Toward Excellence, Access, and Success (TEXAS) Grant Program and Tuition Equalization Grant Program.** Out of funds appropriated above in Strategy B.1.10, TEXAS Grant Program, up to $6,2241,738 each year of the 2004-05 biennium shall be allocated to independent colleges and universities to be awarded as Tuition Equalization Grants.

## HIGHER EDUCATION FUND

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** HIGHER EDUCATION FUND | | |
| **A.1.1. Strategy:** HIGHER EDUCATION FUND The constitutional appropriation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials at the eligible institutions and agencies of higher education pursuant to the provisions of Article VII, Section 17(a) of the Texas Constitution. | $ 187,949,721 | $ 189,185,161 |
| **Grand Total,** HIGHER EDUCATION FUND | $ 187,949,721 | $ 189,185,161 |
| **Object-of-Expense Informational Listing:** | | |
| Operating Costs | $ 187,949,721 | $ 189,185,161 |
| **Total, Object-of-Expense Informational Listing** | $ 187,949,721 | $ 189,185,161 |

1. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 in the General Revenue Fund pursuant to the provision of Article VII, § 17(a) of the Texas Constitution, are hereby appropriated to the respective institutions for the biennium beginning September 1, 2003 for the same purposes.

2. **Higher Education Fund Deposit.** Out of the Funds appropriated above, the State Comptroller of Public Accounts shall deposit $12,949,721 in fiscal year 2004 and $14,185,161 in fiscal year 2005 to the credit of the higher education fund in accordance with Education Code § 62.025.

## TEXAS EXCELLENCE FUND

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** TEXAS EXCELLENCE FUND | | |
| **A.1.1. Strategy:** TEXAS EXCELLENCE FUND The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.051. | $ 10,894,765 | $ 11,633,294 |
| **Grand Total,** TEXAS EXCELLENCE FUND | $ 10,894,765 | $ 11,633,294 |
| **Object-of-Expense Informational Listing:** | | |
| Operating Costs | $ 10,894,765 | $ 11,633,294 |
| **Total, Object-of-Expense Informational Listing** | $ 10,894,765 | $ 11,633,294 |

## UNIVERSITY RESEARCH FUND

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** UNIVERSITY RESEARCH FUND | | |
| **A.1.1. Strategy:** UNIVERSITY RESEARCH FUND The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.071. | $ 10,894,765 | $ 11,633,294 |
| **Grand Total,** UNIVERSITY RESEARCH FUND | $ 10,894,765 | $ 11,633,294 |
| **Object-of-Expense Informational Listing:** | | |
| Operating Costs | $ 10,894,765 | $ 11,633,294 |
| **Total, Object-of-Expense Informational Listing** | $ 10,894,765 | $ 11,633,294 |

## THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ 862,115 | $ 862,114 |
| **A.1.2. Strategy:** LOWER RIO GRANDE VALLEY-RAHC | $ 3,372,046 | $ 3,372,046 |
| Lower Rio Grande Valley-Regional Academic Health Center. | | |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 4,234,161 | $ 4,234,160 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** TUITION REVENUE BONDS | $ 1,421,271 | $ 1,420,774 |
| Tuition revenue bonds for Lower Rio Grande Valley-Regional Academic Health Center. | | |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| **C.2.1. Strategy:** HEALTH CARE PARTNERSHIPS-LAREDO | $ 629,449 | $ 629,449 |
| Health Care Partnerships - Laredo campus. | | |
| **Grand Total,** THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION | $ 6,284,881 | $ 6,284,383 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | 232.4 | 232.4 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 862,115 | $ 862,114 |
| Operating Costs | 4,001,495 | 4,001,495 |
| Debt Service | 1,421,271 | 1,420,774 |
| **Total, Object-of-Expense Informational Listing** | $ 6,284,881 | $ 6,284,383 |

1. **Aircraft Authorized.** The University of Texas System is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority of the Aircraft Pooling Board under Government Code, Chapter 2205. All costs of acquisition, operation and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System. The University of Texas System is also authorized to lease on a short-term basis additional aircraft as may be needed from time to time.

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $450,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Regional Academic Health Center.** The University of Texas System Administration may use funds appropriated above in Strategy A.1.2, Lower Rio Grande Valley-RAHC, and Strategy B.1.1, Tuition Revenue Bonds, to maintain the Lower Rio Grande Valley Regional Academic Health Center. It is the intent of the Legislature that The University of Texas (UT) System distribute these funds in accordance with Texas Education Code 74.611 et seq. and the implementation plan and budget adopted by The UT System Board of Regents. The UT System may distribute these funds equitably among UT component institutions in developing the Regional Academic Health Center, including but not limited to, The University of Texas Health Science Center at Houston and The University of Texas Health Science Center at San Antonio.

4. **Informational Rider– Tobacco Settlement Receipts.** This rider is informational only and does not make an appropriation. In addition to amounts appropriated above, The University of Texas System also receives an appropriation in Article XII, Tobacco Settlement Receipts, estimated to be $900,000 each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.102(c), (d), and (f).

5. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and The University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code, Title 19, Education § 249.14.

## AVAILABLE UNIVERSITY FUND

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the Available University Fund No. 011:** | | |
| **A. Goal:** MANAGE/ADMINISTER ENDOWMENT FUNDS<br>Provide management and administrative support for endowment funds. | | |
| **A.1.1. Strategy:** TEXAS A&M UNIV SYSTEM ALLOCATION<br>The Available University Fund allocable to the Board of Regents of Texas A&M University, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated. | $ 119,185,611 | $ 114,028,398 |

## AVAILABLE UNIVERSITY FUND
(Continued)

| | | |
|---|---|---|
| **A.1.2. Strategy:** THE UNIV OF TEXAS SYSTEM ALLOCATION<br>The residue of the Available University Fund allocable to The University of Texas System, including interest, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs and physical plant operation and maintenance, minority students scholarships and student recruitment, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated. | $ 244,664,335 | $ 236,058,253 |
| **Total, Goal A:** MANAGE/ADMINISTER ENDOWMENT FUNDS | $ 363,849,946 | $ 350,086,651 |
| **Grand Total,** AVAILABLE UNIVERSITY FUND | $ 363,849,946 | $ 350,086,651 |

**Object-of-Expense Informational Listing:**

| | | |
|---|---|---|
| Operating Costs | $ 363,849,946 | $ 350,086,651 |
| **Total, Object-of-Expense Informational Listing** | $ 363,849,946 | $ 350,086,651 |

1. **Texas A&M University System Share.** There is hereby appropriated to the Texas A&M University System for the biennium ending August 31, 2005, that portion of the Available University Fund apportioned to it by Article VII, § 18(f) , except the part of that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued thereunder by the Board of Regents of the Texas A&M University System, together with interest and any balance in the Texas A&M University Available Fund for any previous fiscal year. The Texas A&M University System is authorized to use a portion of its share of the Available University Fund for the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions at Texas A&M University and Prairie View A&M University.

2. **The University of Texas System Share.** There is hereby appropriated for the biennium ending August 31, 2005 that portion of the Available University Fund (AUF) apportioned to The University of Texas System by Article VII, § 18(f) , together with interest and any balance in the AUF for any previous years, except that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation may be used for new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin and for The University of Texas System Administration and is to be used as the Board of Regents of The University of Texas System may determine.

3. **Transfer Authorization.** The University of Texas System may transfer from the Available University Fund No. 011 into the Texas A&M University Available Fund No. 047 its respective portion.

## AVAILABLE UNIVERSITY FUND
(Continued)

4. **Reporting.**
   a. The University of Texas System Board of Regents and the Texas A&M University System Board of Regents shall report to the Legislature and the Governor no later than December 1 of each year:

      - the uses of the Available University Fund (AUF) for each system component and for system office operations for the two previous years, the current year, and two future years (projected), including:
      - debt service allocations, by component,
      - bond proceeds allocations, by component, and
      - excellence allocations, by component or system office, and their purposes;
      - Available University Fund income, interest, beginning- and end-of-year balances; and
      - the rationale used by the respective boards to distribute AUF funds.

   b. In addition, by December 1 of each year, authorized managers of permanent funds and endowments whose earnings are appropriated above shall submit an annual financial report which shall include, at a minimum, an income statement and balance sheet and a summary of the investment return of the fund during the preceding fiscal year. The annual financial report shall also contain:

      (1) a summary of all gains, losses and income from investments and an itemized list of all securities held for the fund on August 31;

      (2) any other information needed by the Governor or the Legislative Budget Board to clearly indicate the nature and extent of investments made of the fund and all income realized from the components of the fund.

      The annual financial report shall be distributed to the Governor and Legislative Budget Board by December 1 of each year of the biennium.

5. **The University of Texas at Austin Sale of Land.** It is the intent of the legislature that The University of Texas at Austin shall sell property necessary to generate at least $66 million. The proceeds of not less than $66 million shall be deposited to the Permanent University Fund. If the institution does not make the necessary deposit to the Permanent University Fund by May 31, 2005, the Comptroller is authorized to reduce 2004-05 General Revenue appropriations to the institution for fiscal year 2005 by an amount equivalent to the difference between $66 million and the amount of proceeds from their sale of property during the 2004-05 biennium previously deposited to the Permanent University Fund. The institution may seek a waiver from this provision from the Legislative Budget Board.

6. **Texas A&M University Sale of Land.** It is the intent of the legislature that Texas A&M University shall sell property necessary to generate at least $33 million. The proceeds of not less than $33 million shall be deposited to the Permanent University Fund. If the institution does not make the necessary deposit to the Permanent University Fund by May 31, 2005, the Comptroller is authorized to reduce 2004-05 General Revenue appropriations to the institution for fiscal year 2005 by an amount equivalent to the difference between $33 million and the amount of proceeds from their sale of property during 2004-05 biennium previously deposited to the Permanent University Fund. The institution may seek a waiver from this provision from the Legislative Budget Board.

## THE UNIVERSITY OF TEXAS AT ARLINGTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 34.9% | 35% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 70.3% | 70.3% |
| Administrative Cost as a Percent of Total Expenditures | 9.3% | 9.3% |
| Certification Rate of Teacher Education Graduates | 86% | 86% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 55.6% | 55.6% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 36.3% | 36.3% |
| State Licensure Pass Rate of Engineering Graduates | 80% | 80% |
| State Licensure Pass Rate of Nursing Graduates | 93% | 93.5% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 16 | 16 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 82,321,538 | $ 83,396,441 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 1,969,452 | $ 1,995,168 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 3,476,848 | $ 3,737,612 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 230,415 | $ 287,607 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 31,775 | $ 31,775 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 3,818,883 | $ 3,941,421 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 1,740,027 | $ 1,740,027 |
| Indirect cost recovery for research related activities. | | |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 2,091,088 | $ 2,091,088 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 95,680,026 | $ 97,221,139 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 13,300,976 | $ 13,474,652 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 3,881,484 | $ 3,882,146 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 313,815 | $ 313,815 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 17,496,275 | $ 17,670,613 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** SCIENCE EDUCATION CENTER | $ 269,764 | $ 134,882 |
| **C.2.1. Strategy:** AUTOMATION AND ROBOTICS INSTITUTE | $ 1,346,860 | $ 1,346,860 |
| Automation and Robotics Research Institute. | | |
| **C.3.1. Strategy:** RURAL HOSPITAL OUTREACH PROGRAM | $ 49,546 | $ 49,546 |
| **C.3.2. Strategy:** URBAN STUDIES INSTITUTE | $ 320,604 | $ 320,604 |
| Institute of Urban Studies. | | |
| **C.3.3. Strategy:** MEXICAN AMERICAN STUDIES | $ 44,961 | $ 44,961 |
| **C.4.1. Strategy:** AFRICA INTERNATIONAL EXCHANGE | $ 118,521 | $ 118,521 |

## THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.4.2. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,157,730 | $ | 1,157,730 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,307,986 | $ | 3,173,104 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT ARLINGTON | $ | 116,484,287 | $ | 118,064,856 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 77,952,125 | $ | 78,396,944 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 3,906,782 | | 3,906,782 |
| Estimated Statutory Tuition Increases Account No. 708 | | 1,332,785 | | 2,665,570 |
| Estimated Other Educational and General Income Account No. 770 | | 33,292,595 | | 33,095,560 |
| Subtotal, General Revenue Fund - Dedicated | $ | 38,532,162 | $ | 39,667,912 |
| **Total, Method of Financing** | $ | 116,484,287 | $ | 118,064,856 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,866.7 | | 1,866.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 43,738,700 | $ | 46,061,344 |
| Other Personnel Costs | | 127,124 | | 124,290 |
| Faculty Salaries (Higher Education Only) | | 50,044,528 | | 48,649,603 |
| Operating Costs | | 22,127,097 | | 22,837,895 |
| Client Services | | 78,675 | | 78,675 |
| Capital Expenditures | | 368,163 | | 313,049 |
| **Total, Object-of-Expense Informational Listing** | $ | 116,484,287 | $ | 118,064,856 |

1. **Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount not to exceed $500,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.

2. **Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed $300,000 for the operation of the Center for Mexican American Studies.

3. **Urban Studies Institute.** All funds collected by the Urban Studies Institute are hereby appropriated to The University of Texas at Arlington for the Urban Studies Institute. It is the intent of the Legislature that services provided by the Institute shall be provided at a reduced cost based upon financial need and the availability of like services.

## THE UNIVERSITY OF TEXAS AT AUSTIN

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 72% | 73% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 93% | 94% |
| Administrative Cost as a Percent of Total Expenditures | 5.4% | 5.4% |
| Certification Rate of Teacher Education Graduates | 80% | 80% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 23% | 24% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 39.4% | 39.4% |
| State Licensure Pass Rate of Law Graduates | 93% | 93% |
| State Licensure Pass Rate of Engineering Graduates | 94% | 94% |
| State Licensure Pass Rate of Nursing Graduates | 96% | 96% |
| State Licensure Pass Rate of Pharmacy Graduates | 98% | 98% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 310.6 | 310.6 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 230,872,541 | $ 233,124,733 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 5,859,652 | $ 5,916,814 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 19,750,540 | $ 21,231,831 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 784,609 | $ 817,610 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 43,534 | $ 43,534 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 11,389,116 | $ 11,704,698 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 19,523,308 | $ 19,523,308 |
| Indirect cost recovery for research related activities. | | |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 288,223,300 | $ 292,362,528 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 57,689,357 | $ 58,252,124 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 5,375,212 | $ 5,376,653 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 480,000 | $ 480,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 63,544,569 | $ 64,108,777 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** MARINE SCIENCE INSTITUTE | $ 622,052 | $ 622,052 |
| Marine Science Institute - Port Aransas. | | |
| **C.2.2. Strategy:** INSTITUTE FOR GEOPHYSICS | $ 1,077,094 | $ 1,077,094 |
| **C.2.3. Strategy:** BUREAU OF ECONOMIC GEOLOGY | $ 1,839,395 | $ 1,839,395 |
| **C.2.4. Strategy:** BUREAU OF BUSINESS RESEARCH | $ 238,920 | $ 238,920 |
| **C.2.5. Strategy:** MCDONALD OBSERVATORY | $ 2,932,548 | $ 2,932,548 |
| **C.2.6. Strategy:** ADVANCED STUDIES IN ASTRONOMY | $ 591,947 | $ 591,947 |
| Center for Advanced Studies in Astronomy. | | |
| **C.3.1. Strategy:** TEXAS MEMORIAL MUSEUM | $ 149,112 | $ 149,112 |
| **C.3.2. Strategy:** PUBLIC POLICY INSTITUTE | $ 197,534 | $ 197,534 |
| **C.3.3. Strategy:** POLICY DISPUTE RESOLUTION CENTER | $ 353,938 | $ 353,938 |
| Center for Public Policy Dispute Resolution. | | |

| | | | | |
|---|---|---|---|---|
| **C.3.4. Strategy:** LATINO WWII ORAL HISTORY | $ | 44,961 | $ | 44,961 |
| Latino World War II Oral History. | | | | |
| **C.3.5. Strategy:** GARNER MUSEUM | $ | 44,961 | $ | 44,961 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,832,657 | $ | 2,832,657 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 10,925,119 | $ | 10,925,119 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT AUSTIN | $ | 362,692,988 | $ | 367,396,424 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 227,064,123 | $ | 229,092,002 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 20,322,068 | | 20,322,068 |
| Estimated Statutory Tuition Increases Account No. 708 | | 3,095,553 | | 6,191,106 |
| Estimated Other Educational and General Income Account No. 770 | | 112,211,244 | | 111,791,248 |
| Subtotal, General Revenue Fund - Dedicated | $ | 135,628,865 | $ | 138,304,422 |
| **Total, Method of Financing** | $ | 362,692,988 | $ | 367,396,424 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 6,384.0 | | 6,384.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 129,433,260 | $ | 137,057,112 |
| Other Personnel Costs | | 2,512,275 | | 3,363,739 |
| Faculty Salaries (Higher Education Only) | | 146,410,028 | | 147,426,011 |
| Operating Costs | | 84,337,425 | | 79,549,562 |
| **Total, Object-of-Expense Informational Listing** | $ | 362,692,988 | $ | 367,396,424 |

1. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least $890,000 for the biennium in additional revenue to the General Revenue Fund, $445,000 in each year of the biennium is included in the appropriation above for the Bureau of Economic Geology.

2. **Public Policy Clinics.** Out of the funds appropriated above, up to $224,803 in each year of the biennium shall be used for public policy clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay research fellowships, surveys, and other expenses associated with the clinics.

## THE UNIVERSITY OF TEXAS AT DALLAS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 56.2% | 56.6% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 80.9% | 80.9% |
| Administrative Cost as a Percent of Total Expenditures | 9.4% | 9.2% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 45% | 45% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 42% | 42% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 18 | 18 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 57,657,803 | $ 58,066,920 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 736,273 | $ 741,497 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,213,276 | $ 2,379,272 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 140,749 | $ 159,634 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 3,538 | $ 3,538 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 2,280,413 | $ 2,336,825 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 1,690,268 | $ 1,690,268 |
| Indirect cost recovery for research related activities. | | |
| **A.1.8. Strategy:** ORGANIZED ACTIVITIES | $ 3,700,122 | $ 3,700,122 |
| **A.1.9. Strategy:** EXCELLENCE FUNDING | $ 1,478,206 | $ 1,478,206 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 69,900,648 | $ 70,556,282 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 7,877,859 | $ 7,933,757 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,960,438 | $ 2,960,634 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 140,006 | $ 140,006 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 10,978,303 | $ 11,034,397 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** CENTER FOR APPLIED BIOLOGY | $ 562,008 | $ 562,008 |
| **C.1.2. Strategy:** NANOTECHNOLOGY | $ 224,803 | $ 224,803 |
| **C.2.1. Strategy:** ACADEMIC BRIDGE PROGRAM | $ 224,803 | $ 224,803 |
| Intensive Summer Academic Bridge Program. | | |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,194,502 | $ 1,194,502 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 2,206,116 | $ 2,206,116 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT DALLAS | $ 83,085,067 | $ 83,796,795 |

## THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 54,108,075 | $ | 54,291,041 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 3,463,767 | | 3,463,767 |
| Estimated Statutory Tuition Increases Account No. 708 | | 488,610 | | 977,220 |
| Estimated Other Educational and General Income Account No. 770 | | 25,024,615 | | 25,064,767 |
| Subtotal, General Revenue Fund - Dedicated | $ | 28,976,992 | $ | 29,505,754 |
| **Total, Method of Financing** | $ | 83,085,067 | $ | 83,796,795 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,162.9 | | 1,162.9 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 30,883,727 | $ | 29,337,038 |
| Other Personnel Costs | | 902,503 | | 649,436 |
| Faculty Salaries (Higher Education Only) | | 31,407,263 | | 33,462,159 |
| Operating Costs | | 17,936,923 | | 18,988,686 |
| Client Services | | 8,430 | | 17,923 |
| Grants | | 3,354 | | 0 |
| Capital Expenditures | | 1,942,867 | | 1,341,553 |
| **Total, Object-of-Expense Informational Listing** | $ | 83,085,067 | $ | 83,796,795 |

## THE UNIVERSITY OF TEXAS AT EL PASO

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 28% | | 29% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 72.5% | | 74% |
| Administrative Cost as a Percent of Total Expenditures | | 9.4% | | 9.4% |
| Certification Rate of Teacher Education Graduates | | 72% | | 75% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 62.4% | | 62.4% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 50.8% | | 50.8% |
| State Licensure Pass Rate of Engineering Graduates | | 95% | | 95% |
| State Licensure Pass Rate of Nursing Graduates | | 96.1% | | 96.6% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | 29.3 | | 30.9 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 46,332,930 | $ | 47,377,367 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 1,622,382 | $ | 1,658,954 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 2,379,511 | $ | 2,557,974 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 278,654 | $ | 278,654 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 4,036 | $ | 4,036 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 2,788,440 | $ | 2,903,435 |

## THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.7. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 2,212,866 | $ | 2,212,866 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ | 1,493,765 | $ | 1,493,765 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 57,112,584 | $ | 58,487,051 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 10,766,941 | $ | 11,009,650 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 2,535,570 | $ | 2,535,943 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 200,000 | $ | 200,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 13,502,511 | $ | 13,745,593 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.2.1. Strategy:** BORDER STUDIES INSTITUTE<br>Inter-American and Border Studies Institute. | $ | 88,633 | $ | 88,633 |
| **C.2.2. Strategy:** ENVIRONMENTAL RESOURCE MANAGEMENT<br>Center for Environmental Resource Management. | $ | 236,331 | $ | 236,331 |
| **C.2.3. Strategy:** CENTER FOR LAW AND BORDER STUDIES | $ | 449,606 | $ | 449,606 |
| **C.3.1. Strategy:** EL PASO CENTENNIAL MUSEUM | $ | 123,044 | $ | 123,044 |
| **C.3.2. Strategy:** RURAL NURSING HEALTH CARE<br>Rural nursing health care services. | $ | 64,874 | $ | 64,874 |
| **C.3.3. Strategy:** MANUFACTURE/MATERIALS MANAGEMENT<br>Institute for Manufacturing and Materials Management | $ | 90,375 | $ | 90,375 |
| **C.3.4. Strategy:** ECONOMIC/ENTERPRISE DEVELOPMENT<br>Texas Centers for Economic and Enterprise Development. | $ | 864,699 | $ | 864,699 |
| **C.3.5. Strategy:** ACADEMIC EXCELLENCE<br>Collaborative for Academic Excellence. | $ | 118,165 | $ | 118,165 |
| **C.3.6. Strategy:** BORDER COMMUNITY HEALTH<br>Border Community Health Education Institute. | $ | 292,244 | $ | 292,244 |
| **C.3.7. Strategy:** BORDER HEALTH RESEARCH | $ | 314,724 | $ | 314,724 |
| **C.3.8. Strategy:** US-MEXICO IMMIGRATION CENTER<br>United States - Mexico Immigration Center. | $ | 44,961 | $ | 44,961 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 6,703,133 | $ | 6,703,133 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 9,390,789 | $ | 9,390,789 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT EL PASO | $ | 80,005,884 | $ | 81,623,433 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 54,954,982 | $ | 55,730,041 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 700,000 | | 700,000 |

## THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

| | | | | |
|---|---|---|---|---|
| Estimated Statutory Tuition Increases Account No. 708 | | 1,410,548 | | 2,821,095 |
| Estimated Other Educational and General Income Account No. 770 | | 22,940,354 | | 22,372,297 |
| Subtotal, General Revenue Fund - Dedicated | $ | 25,050,902 | $ | 25,893,392 |
| **Total, Method of Financing** | $ | 80,005,884 | $ | 81,623,433 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,457.6 | | 1,457.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 22,862,786 | $ | 23,791,074 |
| Other Personnel Costs | | 238,140 | | 246,332 |
| Faculty Salaries (Higher Education Only) | | 35,373,185 | | 37,061,703 |
| Operating Costs | | 21,492,792 | | 20,486,885 |
| Capital Expenditures | | 38,981 | | 37,439 |
| **Total, Object-of-Expense Informational Listing** | $ | 80,005,884 | $ | 81,623,433 |

1. **Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Texas A&M International University: Institute for International Trade | $ | 198,880 | $ | 198,880 |
| The University of Texas - Pan American: Center for Entrepreneurship and Economic Development | $ | 329,883 | $ | 329,883 |

2. **Informational Rider – Tobacco Settlement Receipts.** This rider is informational only and does not make an appropriation. In addition to amounts appropriated above, The University of Texas at El Paso also receives an appropriation in Article XII, Tobacco Settlement Receipts, estimated to be $1,125,000 in each year of the 2004-05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.102(c), (d), and (f).

## THE UNIVERSITY OF TEXAS - PAN AMERICAN

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 27% | 28% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 67% | 67% |
| Administrative Cost as a Percent of Total Expenditures | 9.2% | 9.2% |
| Certification Rate of Teacher Education Graduates | 65% | 70% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 66% | 67% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 47.5% | 47.5% |
| State Licensure Pass Rate of Nursing Graduates | 90% | 91% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 2.42 | 2.66 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 37,785,511 | $ 38,361,253 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 1,378,032 | $ 1,399,029 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 1,561,609 | $ 1,678,730 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 125,890 | $ 154,137 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 2,687,503 | $ 2,797,898 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activitiess. | $ 584,940 | $ 584,940 |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 1,012,606 | $ 1,012,606 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 45,136,091 | $ 45,988,593 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ 7,642,593 | $ 7,759,044 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 4,477,978 | $ 4,478,433 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 12,120,571 | $ 12,237,477 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** PROF DEVELOPMENT/DISTANCE LEARNING<br>Professional development/distance learning. | $ 224,803 | $ 224,803 |
| **C.1.2. Strategy:** COOPERATIVE PHARMACY DOCTORATE | $ 269,764 | $ 269,764 |
| **C.1.3. Strategy:** STARR COUNTY UPPER LEVEL CENTER | $ 134,882 | $ 134,882 |
| **C.3.1. Strategy:** ECONOMIC DEVELOPMENT<br>Center for Entrepreneurship and Economic Development. | $ 456,023 | $ 456,023 |
| **C.3.2. Strategy:** CENTER FOR MANUFACTURING | $ 196,920 | $ 196,920 |
| **C.3.3. Strategy:** UT SYSTEM K-12 COLLABORATION<br>University of Texas System K-12 Collaboration Initiative. | $ 158,027 | $ 158,027 |
| **C.3.4. Strategy:** TRADE & TECHNOLOGY/TELECOMM<br>Provide video teleconferencing capabilities to local small businesses. | $ 118,521 | $ 118,521 |
| **C.3.5. Strategy:** DIABETES REGISTRY | $ 227,000 | $ 227,000 |
| **C.3.6. Strategy:** TEXAS/MEXICO BORDER HEALTH | $ 314,724 | $ 314,724 |

## THE UNIVERSITY OF TEXAS - PAN AMERICAN
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 6,848,448 | $ | 6,848,448 |
| **C.4.2. Strategy:** TRANSITION TO COLLEGE | $ | 449,606 | $ | 449,606 |
| Successful Transition to College Project. | | | | |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 9,398,718 | $ | 9,398,718 |
| **Grand Total,** THE UNIVERSITY OF TEXAS - PAN AMERICAN | $ | 66,655,380 | $ | 67,624,788 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 48,245,124 | $ | 48,514,709 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 475,324 | | 475,324 |
| Estimated Statutory Tuition Increases Account No. 708 | | 740,189 | | 1,480,379 |
| Estimated Other Educational and General Income Account No. 770 | | 16,864,860 | | 16,824,493 |
| Subtotal, General Revenue Fund - Dedicated | $ | 18,080,373 | $ | 18,780,196 |
| Interagency Contracts | | 329,883 | | 329,883 |
| **Total, Method of Financing** | $ | 66,655,380 | $ | 67,624,788 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,269.4 | | 1,269.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 18,329,010 | $ | 21,295,252 |
| Other Personnel Costs | | 580,675 | | 1,054,227 |
| Faculty Salaries (Higher Education Only) | | 25,991,001 | | 26,613,288 |
| Operating Costs | | 18,999,750 | | 15,796,682 |
| Client Services | | 2,754,944 | | 2,865,339 |
| **Total, Object-of-Expense Informational Listing** | $ | 66,655,380 | $ | 67,624,788 |

## THE UNIVERSITY OF TEXAS AT BROWNSVILLE

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 68.97% | | 68.97% |
| Administrative Cost as a Percent of Total Expenditures | | 9.8% | | 9.8% |
| Certification Rate of Teacher Education Graduates | | 80.7% | | 80.7% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 79.7% | | 80.1% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 49.2% | | 53.1% |
| Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years | | 77.8% | | 77.8% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 7,747,351 | $ | 7,869,621 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 420,046 | $ | 426,676 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 162,740 | $ | 174,946 |

## THE UNIVERSITY OF TEXAS AT BROWNSVILLE
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 18,378 | $ | 18,378 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 530,739 | $ | 552,429 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 338,514 | $ | 338,514 |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 174,988 | $ | 174,988 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 9,392,756 | $ | 9,555,552 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 2,372,953 | $ | 2,410,403 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 3,974,448 | $ | 3,974,799 |
| **B.1.3. Strategy:** LEASE OF FACILITIES | $ | 1,323,638 | $ | 1,470,755 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 7,671,039 | $ | 7,855,957 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.3.1. Strategy:** ECONOMIC DEVELOPMENT<br>Texas Center for Border Economic Development. | $ | 224,803 | $ | 224,803 |
| **C.3.2. Strategy:** K-16 COLLABORATION IN UTB SRV AREA<br>K-16 collaboration in the UT-Brownsville service area. | $ | 224,803 | $ | 224,803 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 4,869,903 | $ | 4,869,903 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 5,319,509 | $ | 5,319,509 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT BROWNSVILLE | $ | 22,383,304 | $ | 22,731,018 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 18,628,098 | $ | 18,854,662 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 148,848 | | 148,848 |
| Estimated Statutory Tuition Increases Account No. 708 | | 175,215 | | 350,430 |
| Estimated Other Educational and General Income Account No. 770 | | 3,431,143 | | 3,377,078 |
| Subtotal, General Revenue Fund - Dedicated | $ | 3,755,206 | $ | 3,876,356 |
| **Total, Method of Financing** | $ | 22,383,304 | $ | 22,731,018 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 283.7 | | 283.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 4,075,825 | $ | 4,556,944 |
| Other Personnel Costs | | 865,101 | | 927,069 |
| Faculty Salaries (Higher Education Only) | | 4,972,023 | | 5,226,318 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 876,478 | | 707,388 |

## THE UNIVERSITY OF TEXAS AT BROWNSVILLE
(Continued)

| | | | | |
|---|---|---|---|---|
| Operating Costs | | 10,965,581 | | 10,661,771 |
| Client Services | | 530,739 | | 552,429 |
| Capital Expenditures | | 97,557 | | 99,099 |
| **Total, Object-of-Expense Informational Listing** | $ | 22,383,304 | $ | 22,731,018 |

## THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 31% | | 31% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 64.9% | | 65.4% |
| Administrative Cost as a Percent of Total Expenditures | | 12.3% | | 12.3% |
| Certification Rate of Teacher Education Graduates | | 70.5% | | 71% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 57.4% | | 57.4% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 54.1% | | 54.1% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 6,543,977 | $ | 6,640,026 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 301,255 | $ | 305,676 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 208,446 | $ | 224,079 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 33,155 | $ | 33,155 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 459,298 | $ | 477,767 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ | 20,513 | $ | 20,513 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 189,408 | $ | 189,408 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 7,756,052 | $ | 7,890,624 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 2,423,530 | $ | 2,459,101 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 1,664,135 | $ | 1,664,439 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 24,718 | $ | 24,718 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 4,112,383 | $ | 4,148,258 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.2.1. Strategy:** CENTER FOR ENERGY | $ | 296,300 | $ | 296,300 |
| **C.3.1. Strategy:** PUBLIC LEADERSHIP INSTITUTE | $ | 790,135 | $ | 790,135 |
| John Ben Shepperd Public Leadership Institute. | | | | |
| **C.3.2. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 112,200 | $ | 112,200 |

## THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,122,908 | $ | 2,122,908 |
| **C.4.2. Strategy:** TOTAL FUNDING HOLD HARMLESS | $ | 42,887 | $ | 42,888 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,364,430 | $ | 3,364,431 |
| **Grand Total,** THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN | $ | 15,232,865 | $ | 15,403,313 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 11,810,402 | $ | 11,846,775 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 181,500 | | 181,500 |
| Estimated Statutory Tuition Increases Account No. 708 | | 140,085 | | 280,169 |
| Estimated Other Educational and General Income Account No. 770 | | 3,100,878 | | 3,094,869 |
| Subtotal, General Revenue Fund - Dedicated | $ | 3,422,463 | $ | 3,556,538 |
| **Total, Method of Financing** | $ | 15,232,865 | $ | 15,403,313 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 242.8 | | 242.8 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 4,437,693 | $ | 4,692,126 |
| Other Personnel Costs | | 182,345 | | 181,931 |
| Faculty Salaries (Higher Education Only) | | 4,579,092 | | 4,862,520 |
| Operating Costs | | 4,965,763 | | 4,533,807 |
| Client Services | | 459,298 | | 477,767 |
| Grants | | 42,889 | | 42,889 |
| Capital Expenditures | | 565,785 | | 612,273 |
| **Total, Object-of-Expense Informational Listing** | $ | 15,232,865 | $ | 15,403,313 |

1. **Small Business Development Center.** Included in the appropriation above to The University of Texas of the Permian Basin in Strategy C.3.2, Small Business Development Center, is $112,200 in each year of the biennium for the Small Business Development Center, or its equivalent due to special provisions of this Act. This $112,200 in each year is contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $224,400 additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

## THE UNIVERSITY OF TEXAS AT SAN ANTONIO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 27.4% | 28% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 65.8% | 65.8% |
| Administrative Cost as a Percent of Total Expenditures | 11% | 11% |
| Certification Rate of Teacher Education Graduates | 65% | 65% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 62.5% | 64% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 33.5% | 34.4% |
| State Licensure Pass Rate of Engineering Graduates | 78.8% | 79.5% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 10.6 | 11.4 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 54,678,883 | $ 55,648,330 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 2,024,001 | $ 2,059,886 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,320,095 | $ 2,494,102 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 189,090 | $ 189,806 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 349 | $ 349 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 3,794,067 | $ 3,938,733 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 826,706 | $ 826,706 |
| Indirect cost recovery for research related activities. | | |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 2,319,471 | $ 2,319,471 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 66,152,662 | $ 67,477,383 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 9,902,323 | $ 10,077,889 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 6,575,839 | $ 6,575,930 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 241,100 | $ 241,100 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 16,719,262 | $ 16,894,919 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** TEXAS PRE-ENGINEERING PROGRAM | $ 572,608 | $ 572,608 |
| **C.2.1. Strategy:** CENTER FOR WATER RESEARCH | $ 134,882 | $ 134,882 |
| **C.3.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ 2,126,097 | $ 2,126,097 |
| **C.3.2. Strategy:** INSTITUTE OF TEXAN CULTURES | $ 2,007,171 | $ 2,007,171 |
| **C.4.1. Strategy:** DOWNTOWN CAMPUS PHASE II | $ 1,348,818 | $ 1,348,818 |
| **C.4.2. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 3,855,963 | $ 3,855,963 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 10,045,539 | $ 10,045,539 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT SAN ANTONIO | $ 92,917,463 | $ 94,417,841 |

## THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 63,933,962 | $ | 64,386,162 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 1,650,572 | | 1,650,572 |
| Estimated Statutory Tuition Increases Account No. 708 | | 1,231,493 | | 2,462,986 |
| Estimated Other Educational and General Income Account No. 770 | | 26,101,436 | | 25,918,121 |
| Subtotal, General Revenue Fund - Dedicated | $ | 28,983,501 | $ | 30,031,679 |
| **Total, Method of Financing** | $ | 92,917,463 | $ | 94,417,841 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,576.3 | | 1,576.3 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 33,711,717 | $ | 35,900,386 |
| Other Personnel Costs | | 2,322,793 | | 2,496,800 |
| Faculty Salaries (Higher Education Only) | | 33,874,591 | | 36,885,882 |
| Operating Costs | | 21,376,444 | | 17,871,896 |
| Client Services | | 0 | | 69,339 |
| Capital Expenditures | | 1,631,918 | | 1,193,538 |
| **Total, Object-of-Expense Informational Listing** | $ | 92,917,463 | $ | 94,417,841 |

1. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,252,194 for the biennium in additional revenue to the General Revenue Fund, $2,126,097 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

2. **Institute of Texan Cultures.** Out of the funds appropriated above, it is the intent of the Legislature that the University of Texas at San Antonio spend up to $2,007,171 each year of the biennium for the Institute of Texan Cultures.

## THE UNIVERSITY OF TEXAS AT TYLER

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years | | 65% | | 65% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 72% | | 73% |
| Administrative Cost as a Percent of Total Expenditures | | 12% | | 12% |
| Certification Rate of Teacher Education Graduates | | 88% | | 88% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 52% | | 54% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 68.5% | | 70% |
| State Licensure Pass Rate of Nursing Graduates | | 98% | | 98% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 12,168,138 | $ | 12,315,755 |

## THE UNIVERSITY OF TEXAS AT TYLER
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 564,823 | $ | 571,675 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 249,139 | $ | 267,824 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 61,663 | $ | 61,663 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 881,622 | $ | 918,334 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 25,000 | $ | 25,000 |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 384,970 | $ | 384,970 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 14,335,355 | $ | 14,545,221 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 2,955,036 | $ | 2,990,885 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 2,617,111 | $ | 2,617,330 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 48,406 | $ | 48,406 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 5,620,553 | $ | 5,656,621 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.1.1. Strategy:** 4-YEAR START UP OPERATIONS | $ | 1,150,992 | $ | 1,236,417 |
| **C.1.2. Strategy:** LONGVIEW CAMPUS | $ | 1,238,777 | $ | 1,238,777 |
| **C.2.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,409,643 | $ | 2,659,893 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 5,799,412 | $ | 5,135,087 |
| **Grand Total,** THE UNIVERSITY OF TEXAS AT TYLER | $ | 25,755,320 | $ | 25,336,929 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 21,565,913 | $ | 20,974,939 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 198,515 | | 397,030 |
| Estimated Other Educational and General Income Account No. 770 | | 3,990,892 | | 3,964,960 |
| Subtotal, General Revenue Fund - Dedicated | $ | 4,189,407 | $ | 4,361,990 |
| **Total, Method of Financing** | $ | 25,755,320 | $ | 25,336,929 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 390.1 | | 390.1 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,740,906 | $ | 7,197,896 |
| Other Personnel Costs | | 249,139 | | 267,824 |
| Faculty Salaries (Higher Education Only) | | 10,368,983 | | 8,959,737 |
| Operating Costs | | 7,486,130 | | 7,966,836 |
| Client Services | | 881,622 | | 918,334 |
| Capital Expenditures | | 28,540 | | 26,302 |
| **Total, Object-of-Expense Informational Listing** | $ | 25,755,320 | $ | 25,336,929 |

## TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ 3,647,290 | $ 3,645,241 |
| **B. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **B.1.1. Strategy:** SCHOLARSHIPS | $ 2,248,030 | $ UB |
| **Grand Total,** TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES | $ 5,895,320 | $ 3,645,241 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 2,823,320 | $ 573,241 |
| GR Dedicated - Texas A&M University Mineral Income Account No. 096, estimated | 3,072,000 | 3,072,000 |
| **Total, Method of Financing** | $ 5,895,320 | $ 3,645,241 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 77.3 | 77.3 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 575,290 | $ 573,241 |
| Operating Costs | 5,320,030 | 3,072,000 |
| **Total, Object-of-Expense Informational Listing** | $ 5,895,320 | $ 3,645,241 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $325,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

2. **Mineral Fund Appropriated.** Appropriated in the funds above to the Board of Regents of the Texas A&M University System are the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with Education Code § 85.70. The income from said Fund is included in the appropriation above to the Board of Regents of the Texas A&M University System is to be disbursed for the purposes provided for an in accordance with the provisions of the above citation. Mineral Funds estimated to be $3,072,000 in 2004 and $3,072,000 in 2005.

## TEXAS A&M UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years | 74.5% | 74.5% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 89.5% | 89.5% |
| Administrative Cost as a Percent of Total Expenditures | 3.1% | 3.1% |
| Certification Rate of Teacher Education Graduates | 94% | 94% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 31% | 31% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 26.2% | 26.2% |
| State Licensure Pass Rate of Engineering Graduates | 93.3% | 93.3% |
| State Licensure Examination Pass Rate of Veterinary Medicine Graduates | 98% | 98% |
| Dollar Value of External or Sponsored Research Funds (In Millions) | 100.5 | 101.5 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 199,774,938 | $ 201,748,943 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 5,198,122 | $ 5,249,485 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 13,278,076 | $ 14,273,932 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 1,125,974 | $ 1,168,976 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 7,866,141 | $ 8,113,116 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 4,287,340 | $ 4,287,340 |
| Indirect cost recovery for research related activities. | | |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 231,530,591 | $ 234,841,792 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 39,863,715 | $ 40,257,614 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 690,545 | $ 255,540 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 462,782 | $ 462,782 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 41,017,042 | $ 40,975,936 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** CYCLOTRON INSTITUTE | $ 563,322 | $ 563,322 |
| **C.2.2. Strategy:** SEA GRANT PROGRAM | $ 369,630 | $ 369,630 |
| **C.2.3. Strategy:** ENERGY RESOURCES PROGRAM | $ 567,033 | $ 567,033 |
| **C.2.4. Strategy:** PUBLIC POLICY RESOURCE LABORATORY | $ 42,384 | $ 42,384 |
| **C.2.5. Strategy:** REAL ESTATE RESEARCH CENTER | $ 2,225,000 | $ 2,150,000 |
| **C.3.1. Strategy:** SCHOOL OF ARCHITECTURE | $ 771,035 | $ 771,035 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 4,123,910 | $ 3,807,856 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 8,662,314 | $ 8,271,260 |
| **Grand Total,** TEXAS A&M UNIVERSITY | $ 281,209,947 | $ 284,088,988 |

## TEXAS A&M UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 194,584,303 | $ | 195,400,586 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 6,025,000 | | 6,025,000 |
| Estimated Statutory Tuition Increases Account No. 708 | | 2,590,123 | | 5,180,247 |
| Estimated Other Educational and General Income Account No. 770 | | 75,785,521 | | 75,333,155 |
| Subtotal, General Revenue Fund - Dedicated | $ | 84,400,644 | $ | 86,538,402 |
| Real Estate Fee Trust Account No. 969 | | 2,225,000 | | 2,150,000 |
| **Total, Method of Financing** | $ | 281,209,947 | $ | 284,088,988 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 5,259.1 | | 5,259.1 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 91,995,387 | $ | 94,125,067 |
| Other Personnel Costs | | 4,722,199 | | 7,037,179 |
| Faculty Salaries (Higher Education Only) | | 110,641,312 | | 124,812,166 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 3,724,267 | | 0 |
| Operating Costs | | 56,731,072 | | 45,598,937 |
| Client Services | | 1,211,267 | | 594,665 |
| Grants | | 11,990,053 | | 11,920,974 |
| Capital Expenditures | | 194,390 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 281,209,947 | $ | 284,088,988 |

1. **Real Estate Research Center.** Funds derived from the provisions of VTCS, Article 6573a, § 5.m, in support of the Real Estate Research Center at Texas A&M University, are appropriated above to said center for the purposes stipulated therein. No employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

## TEXAS A&M UNIVERSITY AT GALVESTON

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 39.2% | | 41% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 57.6% | | 57.6% |
| Administrative Cost as a Percent of Total Expenditures | | 12.4% | | 12.4% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 35% | | 38% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 39% | | 41% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | 3.95 | | 4.54 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 3,946,784 | $ | 4,000,208 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 174,895 | $ | 177,262 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 415,378 | $ | 446,531 |

## TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 44,832 | $ | 48,952 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 745 | $ | 745 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 303,044 | $ | 312,569 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 307,500 | $ | 307,500 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ | 217,121 | $ | 217,121 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 5,410,299 | $ | 5,510,888 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 2,050,190 | $ | 2,077,940 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 851,340 | $ | 851,340 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 2,901,530 | $ | 2,929,280 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.1.1. Strategy:** MARINE/MARITIME INSTRUCTION<br>Marine and maritime instructional enhancement. | $ | 2,113,349 | $ | 2,160,916 |
| **C.2.1. Strategy:** COASTAL ZONE LABORATORY | $ | 23,515 | $ | 23,515 |
| **C.2.2. Strategy:** INSTITUTE OF OCEANOGRAPHY<br>Texas Institute of Oceanography. | $ | 482,313 | $ | 482,313 |
| **C.4.1. Strategy:** DREDGING OF DOCK AREA | $ | 36,935 | $ | UB |
| **C.4.2. Strategy:** SHIP OPERATION & MAINTENANCE<br>Ship operation and maintenance. | $ | 927,062 | $ | 927,062 |
| **C.4.3. Strategy:** MARINE TERMINAL OPERATION<br>Marine terminal operations. | $ | 413,357 | $ | 413,357 |
| **C.4.4. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,806,855 | $ | 1,806,855 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 5,803,386 | $ | 5,814,018 |
| **Grand Total,** TEXAS A&M UNIVERSITY AT GALVESTON | $ | 14,115,215 | $ | 14,254,186 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 10,482,833 | $ | 10,530,143 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 38,280 | | 38,280 |
| Estimated Statutory Tuition Increases Account No. 708 | | 87,191 | | 174,382 |
| Estimated Other Educational and General Income Account No. 770 | | 3,506,911 | | 3,511,381 |
| Subtotal, General Revenue Fund - Dedicated | $ | 3,632,382 | $ | 3,724,043 |
| **Total, Method of Financing** | $ | 14,115,215 | $ | 14,254,186 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 253.6 | | 253.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,694,411 | $ | 3,827,457 |
| Other Personnel Costs | | 104,955 | | 131,918 |
| Faculty Salaries (Higher Education Only) | | 2,101,012 | | 2,610,357 |

## TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

| | | |
|---|---|---|
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 191,028 | 0 |
| Operating Costs | 2,628,960 | 3,404,113 |
| Grants | 2,998,175 | 2,119,425 |
| Capital Expenditures | 2,396,674 | 2,160,916 |
| **Total, Object-of-Expense Informational Listing** | $ 14,115,215 | $ 14,254,186 |

1. **Training Vessel.** No funds appropriated to Texas A&M University at Galveston may be expended for purchase of a training vessel.

## PRAIRIE VIEW A&M UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 34% | 35% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 70% | 70% |
| Administrative Cost as a Percent of Total Expenditures | 11% | 11% |
| Certification Rate of Teacher Education Graduates | 65% | 65% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 54% | 54% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 58.4% | 58.4% |
| State Licensure Pass Rate of Engineering Graduates | 66.7% | 66.7% |
| State Licensure Pass Rate of Nursing Graduates | 90% | 90% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 7.9 | 7.9 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 22,382,078 | $ 22,625,653 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 1,014,234 | $ 1,025,272 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,029,600 | $ 2,181,820 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 159,435 | $ 131,285 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 7,066 | $ 7,066 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,303,058 | $ 1,344,782 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ 803,913 | $ 803,913 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 688,359 | $ 688,359 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 28,387,743 | $ 28,808,150 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ 4,994,485 | $ 5,048,838 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 6,934,910 | $ 6,935,676 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 11,929,395 | $ 11,984,514 |

## PRAIRIE VIEW A&M UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** STUDENT NURSE STIPENDS | $ | 173,048 | $ | 173,048 |
| **C.1.2. Strategy:** HONORS PROGRAM | $ | 89,921 | $ | 89,921 |
| **C.1.3. Strategy:** TEXAS MEDICAL CENTER LIBRARY | $ | 24,519 | $ | 24,519 |
| Texas Medical Center library assessment. | | | | |
| **C.2.1. Strategy:** AGRICULTURE RESEARCH CENTER | $ | 896,981 | $ | 896,981 |
| Cooperative Agriculture Research Center. | | | | |
| **C.3.1. Strategy:** EXTENSION AND PUBLIC SERVICE | $ | 1,275,943 | $ | 1,275,943 |
| **C.3.2. Strategy:** JUVENILE CRIME PREVENTION CENTER | $ | 1,289,334 | $ | 2,476,700 |
| **C.3.3. Strategy:** COMMUNITY DEVELOPMENT | $ | 134,882 | $ | 134,882 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,378,795 | $ | 3,378,794 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 7,263,423 | $ | 8,450,788 |
| **D. Goal:** TEXAS COMMITMENT-OCR PRIORITY PLAN | | | | |
| Texas commitment - OCR Priority Plan. | | | | |
| **D.1.1. Strategy:** OCR PRIORITY PLAN | $ | 13,475,600 | $ | 13,745,363 & UB |
| Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students. | | | | |
| **Grand Total,** PRAIRIE VIEW A&M UNIVERSITY | $ | 61,056,161 | $ | 62,988,815 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 48,425,734 | $ | 48,849,406 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 114,757 | | 114,757 |
| Estimated Statutory Tuition Increases Account No. 708 | | 329,283 | | 658,567 |
| Estimated Other Educational and General Income Account No. 770 | | 10,897,053 | | 10,889,385 |
| Center for Study and Prevention of Juvenile Crime and Delinquency, estimated | | 1,289,334 | | 2,476,700 |
| Subtotal, General Revenue Fund - Dedicated | $ | 12,630,427 | $ | 14,139,409 |
| **Total, Method of Financing** | $ | 61,056,161 | $ | 62,988,815 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 757.6 | | 757.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 17,252,550 | $ | 17,584,698 |
| Other Personnel Costs | | 568,229 | | 679,456 |
| Faculty Salaries (Higher Education Only) | | 14,435,229 | | 16,012,955 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 115,049 | | 27,053 |
| Professional Salaries - Extension (Texas Agricultural Extension Svc) | | 163,338 | | 0 |
| Operating Costs | | 22,261,060 | | 25,819,780 |
| Client Services | | 1,251,506 | | 1,362,282 |
| Grants | | 1,991,417 | | 1,344,783 |
| Capital Expenditures | | 3,017,783 | | 157,808 |
| **Total, Object-of-Expense Informational Listing** | $ | 61,056,161 | $ | 62,988,815 |

## PRAIRIE VIEW A&M UNIVERSITY
(Continued)

1. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

| OCR Priority Plan Items | in millions 2004 | 2005 |
|---|---|---|
| 1. University College and Project Access | $1.08 | $1.08 |
| 2. Texas Institute for the Preservation of History and Culture | $0.22 | $0.22 |
| 3. Student Development and Support Center | $0.90 | $0.90 |
| 4. Honors Endowed Scholarships | $0.72 | $0.72 |
| 5. Information Technology | $0.72 | $0.72 |
| 6. Accreditation | $0.45 | $0.45 |
| 7. College of Nursing | $0.45 | $0.45 |
| 8. College of Engineering | $0.45 | $0.45 |
| 9. MS Accounting | $0.22 | $0.22 |
| 10. MS/PhD Electrical Engineering | $0.81 | $0.81 |
| 11. Enhance Educator Preparation | $0.36 | $0.36 |
| 12. BS Construction Science | $0.45 | $0.45 |
| 13. MS Architecture | $0.18 | $0.18 |
| 14. PhD Educational Leadership | $0.54 | $0.54 |
| 15. Four Endowed Chairs | $0.90 | $0.90 |
| 16. MS Information Systems | $0.63 | $0.63 |
| 17. MS Community Development | $0.27 | $0.27 |
| 18. Community and Urban Rural Extension | $0.18 | $0.18 |
| 19. Faculty Recruitment, Retention, and Development | $1.35 | $1.35 |
| 20. MS Computer Science | $0.36 | $0.36 |
| TOTAL: | $11.24 | $11.24 & UB |

2. **OCR Priority Plan Reporting Requirements.** Prairie View A&M University shall work with the Texas A&M University System; Prairie View A&M University and the Texas A&M University System shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks and performance measures adopted in accordance with the OCR Priority Plan. Prairie View A&M University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Funds appropriated in Strategy D.1.1, OCR Priority Plan, include unexpended balances as of August 31, 2003 (estimated to be $4,740,659) to Prairie View A&M University for the biennium beginning September 1, 2004, for continuation of the OCR Priority Plan and funding of the items as identified by the 77th Legislature. It is legislative intent that any funds not spent during the 2004–05 biennium be transferred to the 2006–07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

3. **Establishment of America's Promise School.** Out of the funds appropriated above Prairie View A& M University will jointly operate an America's Promise School with Waller Independent School District. The school will be a full service pre-kindergarten through fourth grade community-centered elementary school based around the America's Promise concept, which includes the following five promises: (1) an ongoing relationship with a caring adult/mentor; (2) safe places and structured activities before and after school; (3) a healthy start, including nutritional and health-related services; (4) students developing marketable skills through effective education; and (5) opportunities for the students to serve and give back to the community.

## PRAIRIE VIEW A&M UNIVERSITY
(Continued)

4. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

## TARLETON STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 45.2% | 45.2% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 68.69% | 69% |
| Administrative Cost as a Percent of Total Expenditures | 8.8% | 8.4% |
| Certification Rate of Teacher Education Graduates | 87.5% | 87.5% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 62% | 63% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 47% | 47% |
| State Licensure Pass Rate of Nursing Graduates | 97% | 97% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 4.9 | 4.9 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 22,400,207 | $ 22,713,447 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 970,681 | $ 984,255 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 1,583,556 | $ 1,702,323 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 127,857 | $ 96,049 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 13,488 | $ 10,116 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,281,116 | $ 1,327,451 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 257,691 | $ 257,691 |
| Indirect cost recovery for research related activities. | | |
| **A.1.8. Strategy:** ORGANIZED ACTIVITIES | $ 510,000 | $ 510,000 |
| **A.1.9. Strategy:** EXCELLENCE FUNDING | $ 535,454 | $ 535,454 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 27,680,050 | $ 28,136,786 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 4,252,189 | $ 4,311,651 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,750,363 | $ 2,751,129 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 7,002,552 | $ 7,062,780 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** CENTRAL TEXAS CENTER | $ 22,480 | $ 22,480 |
| University System Center - Central Texas. | | |
| **C.2.1. Strategy:** ENVIRONMENTAL RESEARCH | $ 1,438,739 | $ 1,438,739 |
| Institute for Applied Environmental Research. | | |

| | | | | |
|---|---|---|---|---|
| **C.2.2. Strategy:** AGRICULTURE CENTER<br>Tarleton Agriculture Center. | $ | 337,205 | $ | 337,205 |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,040,082 | $ | 2,040,082 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,838,506 | $ | 3,838,506 |
| **Grand Total,** TARLETON STATE UNIVERSITY | $ | 38,521,108 | $ | 39,038,072 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 27,640,927 | $ | 27,800,058 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 200,000 | | 200,000 |
| Estimated Statutory Tuition Increases Account No. 708 | | 407,970 | | 815,940 |
| Estimated Other Educational and General Income Account No. 770 | | 10,272,211 | | 10,222,074 |
| Subtotal, General Revenue Fund - Dedicated | $ | 10,880,181 | $ | 11,238,014 |
| **Total, Method of Financing** | $ | 38,521,108 | $ | 39,038,072 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 655.5 | | 655.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 10,055,312 | $ | 10,524,923 |
| Other Personnel Costs | | 269,397 | | 268,202 |
| Faculty Salaries (Higher Education Only) | | 15,399,986 | | 15,548,052 |
| Operating Costs | | 8,657,346 | | 8,511,839 |
| Client Services | | 24,723 | | 24,378 |
| Grants | | 4,114,344 | | 4,160,678 |
| **Total, Object-of-Expense Informational Listing** | $ | 38,521,108 | $ | 39,038,072 |

1. **Bosque River Monitoring Project.** The Institute for Applied Environmental Research shall conduct water quality monitoring for the Bosque River. The institute shall coordinate the collection and reporting of data to conform with Texas Commission on Environmental Quality protocols. The Institute shall report on the water quality in the Bosque River by July 1 and February 1 of each year to the commission. It is legislative intent that the water quality monitoring efforts of the Institute for Applied Environmental Research, Texas Commission on Environmental Quality, and other appropriate agencies and entities be cooperative and non-duplicative.

2. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a one dollar per semester credit hour fee for a student endowment scholarship and internship adopted by student referendum, pursuant to Education Code, Subsection 56.242.

## TEXAS A&M UNIVERSITY - CORPUS CHRISTI

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 41% | 41.5% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 73% | 73.5% |
| Administrative Cost as a Percent of Total Expenditures | 13% | 13% |
| Certification Rate of Teacher Education Graduates | 80.1% | 80.1% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 66.5% | 67% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 49.5% | 50% |
| State Licensure Pass Rate of Nursing Graduates | 95% | 95% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 4.6 | 4.6 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 21,693,237 | $ 22,011,585 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 966,966 | $ 981,156 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 1,607,918 | $ 1,728,512 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 107,109 | $ 107,109 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 10,446 | $ 10,446 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,106,407 | $ 1,147,489 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ 259,625 | $ 259,625 |
| Indirect cost recovery for research related activities. | | |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 613,976 | $ 613,976 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 26,365,684 | $ 26,859,898 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 4,092,464 | $ 4,152,236 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 10,421,018 | $ 10,409,831 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 14,513,482 | $ 14,562,067 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** SCHOOL NURSING PROGRAM | $ 314,724 | $ 314,724 |
| School Nursing Program for Early Childhood Development Center. | | |
| **C.1.2. Strategy:** ENVIRONMENTAL CENTER | $ 179,842 | $ 179,842 |
| Environmental Learning Center. | | |
| **C.2.1. Strategy:** COASTAL STUDIES | $ 273,328 | $ 273,328 |
| Center for Coastal Studies. | | |
| **C.2.2. Strategy:** GULF OF MEXICO ENVIRONMENTAL LAB | $ 269,764 | $ 269,764 |
| Gulf of Mexico Environmental Research Laboratory. | | |
| **C.3.1. Strategy:** WATER RESOURCES CENTER | $ 67,661 | $ 67,661 |

## TEXAS A&M UNIVERSITY - CORPUS CHRISTI
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.3.2. Strategy:** ART MUSEUM | $ | 322,387 | $ | 322,387 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 7,480,930 | $ | 7,480,930 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 8,908,636 | $ | 8,908,636 |
| **Grand Total,** TEXAS A&M UNIVERSITY - CORPUS CHRISTI | $ | 49,787,802 | $ | 50,330,601 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 40,087,465 | $ | 40,291,620 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 192,236 | | 192,236 |
| Estimated Statutory Tuition Increases Account No. 708 | | 416,448 | | 832,896 |
| Estimated Other Educational and General Income Account No. 770 | | 9,091,653 | | 9,013,849 |
| Subtotal, General Revenue Fund - Dedicated | $ | 9,700,337 | $ | 10,038,981 |
| **Total, Method of Financing** | $ | 49,787,802 | $ | 50,330,601 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 723.2 | | 723.2 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 13,631,889 | $ | 14,209,970 |
| Other Personnel Costs | | 118,682 | | 167,705 |
| Faculty Salaries (Higher Education Only) | | 17,794,573 | | 17,915,571 |
| Operating Costs | | 16,186,248 | | 15,960,351 |
| Client Services | | 1,117,532 | | 1,155,901 |
| Capital Expenditures | | 938,878 | | 921,103 |
| **Total, Object-of-Expense Informational Listing** | $ | 49,787,802 | $ | 50,330,601 |

1. **Art Museum Contingency.** Out of the General Revenue funds appropriated above, $263,609 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least $527,218 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than $527,218, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.

## TEXAS A&M UNIVERSITY - KINGSVILLE

| | For the Years Ending August 31, 2004 | August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 31% | 32% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 66% | 66% |
| Administrative Cost as a Percent of Total Expenditures | 12.5% | 12% |

## TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

| | | | | |
|---|---|---|---|---|
| Certification Rate of Teacher Education Graduates | | 57.9% | | 57.9% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 63.8% | | 63.8% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 59% | | 60% |
| State Licensure Pass Rate of Engineering Graduates | | 88.7% | | 88.7% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | 7.8 | | 7.8 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 19,912,231 | $ | 20,162,661 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 881,593 | $ | 892,681 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 1,803,483 | $ | 1,938,744 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 135,828 | $ | 107,905 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 2,155 | $ | 2,155 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,105,925 | $ | 1,144,715 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ | 372,774 | $ | 372,774 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.8. Strategy:** ORGANIZED ACTIVITIES | $ | 274,000 | $ | 274,000 |
| **A.1.9. Strategy:** EXCELLENCE FUNDING | $ | 592,079 | $ | 592,079 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 25,080,068 | $ | 25,487,714 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 4,161,620 | $ | 4,213,959 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 3,936,911 | $ | 3,908,328 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 8,098,531 | $ | 8,122,287 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** PHD IN ENGINEERING | $ | 247,283 | $ | UB |
| **C.1.2. Strategy:** PHARMACY SCHOOL START-UP | $ | 314,724 | $ | UB |
| **C.1.3. Strategy:** SYSTEM CENTER - SAN ANTONIO | $ | 2,337,952 | $ | 1,438,739 & UB |
| TAMUK System Center - San Antonio. | | | | |
| **C.2.1. Strategy:** CITRUS CENTER | $ | 761,492 | $ | 761,492 |
| **C.2.2. Strategy:** WILDLIFE RESEARCH INSTITUTE | $ | 283,637 | $ | 283,637 |
| **C.3.1. Strategy:** JOHN E. CONNOR MUSEUM | $ | 27,984 | $ | 27,984 |
| **C.3.2. Strategy:** SOUTH TEXAS ARCHIVES | $ | 112,402 | $ | 112,402 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 5,958,421 | $ | 5,958,421 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 10,043,895 | $ | 8,582,675 |
| **Grand Total,** TEXAS A&M UNIVERSITY - KINGSVILLE | $ | 43,222,494 | $ | 42,192,676 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 33,742,972 | $ | 32,424,959 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 336,243 | | 672,485 |
| Estimated Other Educational and General Income Account No. 770 | | 9,143,279 | | 9,095,232 |
| Subtotal, General Revenue Fund - Dedicated | $ | 9,479,522 | $ | 9,767,717 |
| **Total, Method of Financing** | $ | 43,222,494 | $ | 42,192,676 |

## TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

| | | | | |
|---|---|---|---|---|
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 723.4 | | 723.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 10,866,105 | $ | 10,666,229 |
| Other Personnel Costs | | 1,428,786 | | 1,341,562 |
| Faculty Salaries (Higher Education Only) | | 15,563,595 | | 15,746,259 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 347,955 | | 396,598 |
| Operating Costs | | 12,408,939 | | 11,712,592 |
| Client Services | | 1,285,000 | | 1,364,580 |
| Grants | | 592,082 | | 592,082 |
| Capital Expenditures | | 730,032 | | 372,774 |
| **Total, Object-of-Expense Informational Listing** | $ | 43,222,494 | $ | 42,192,676 |

## TEXAS A&M INTERNATIONAL UNIVERSITY

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 37% | | 37% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 72% | | 72% |
| Administrative Cost as a Percent of Total Expenditures | | 21% | | 21% |
| Certification Rate of Teacher Education Graduates | | 72.2% | | 72.2% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 70% | | 72% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 53% | | 53% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | .2 | | .2 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 9,085,094 | $ | 9,209,549 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 462,353 | $ | 468,686 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 703,251 | $ | 755,995 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 38,064 | $ | 38,064 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 287 | $ | 287 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 486,940 | $ | 504,538 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ | 81,686 | $ | 81,686 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ | 296,038 | $ | 296,038 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 11,153,713 | $ | 11,354,843 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 2,563,185 | $ | 2,598,298 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 11,561,385 | $ | 11,523,029 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 14,124,570 | $ | 14,121,327 |

## TEXAS A&M INTERNATIONAL UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** PHD PROGRAM IN BUSINESS | $ | 1,573,621 | $ | 1,573,621 |
| **C.2.1. Strategy:** INTERNATIONAL TRADE INSTITUTE | $ | 281,296 | $ | 281,296 |
| Institute for International Trade. | | | | |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 6,629,295 | $ | 6,629,295 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 8,484,212 | $ | 8,484,212 |
| **Grand Total,** TEXAS A&M INTERNATIONAL UNIVERSITY | $ | 33,762,495 | $ | 33,960,382 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 29,158,538 | $ | 29,206,851 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 155,758 | | 155,758 |
| Estimated Statutory Tuition Increases Account No. 708 | | 175,617 | | 351,233 |
| Estimated Other Educational and General Income Account No. 770 | | 4,073,702 | | 4,047,660 |
| Subtotal, General Revenue Fund - Dedicated | $ | 4,405,077 | $ | 4,554,651 |
| Interagency Contracts | | 198,880 | | 198,880 |
| **Total, Method of Financing** | $ | 33,762,495 | $ | 33,960,382 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 445.6 | | 445.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 8,627,252 | $ | 8,414,482 |
| Faculty Salaries (Higher Education Only) | | 8,454,423 | | 8,804,126 |
| Operating Costs | | 16,133,887 | | 16,135,884 |
| Client Services | | 2,894 | | 2,838 |
| Grants | | 544,039 | | 550,374 |
| Capital Expenditures | | 0 | | 52,678 |
| **Total, Object-of-Expense Informational Listing** | $ | 33,762,495 | $ | 33,960,382 |

## WEST TEXAS A&M UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 35.8% | 35.8% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 73.1% | 73.1% |
| Administrative Cost as a Percent of Total Expenditures | 7.6% | 7.6% |
| Certification Rate of Teacher Education Graduates | 82.3% | 82.3% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 52% | 52% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 46.2% | 46.2% |

## WEST TEXAS A&M UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| State Licensure Pass Rate of Nursing Graduates | | 96.4% | | 96.4% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 18,675,382 | $ | 19,019,171 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 831,164 | $ | 846,464 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 1,481,555 | $ | 1,592,672 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 90,461 | $ | 93,158 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 1,606 | $ | 1,606 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,095,664 | $ | 1,137,303 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ | 75,000 | $ | 75,000 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.8. Strategy:** ORGANIZED ACTIVITIES | $ | 91,885 | $ | 91,885 |
| **A.1.9. Strategy:** EXCELLENCE FUNDING | $ | 611,290 | $ | 611,290 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 22,954,007 | $ | 23,468,549 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 3,574,858 | $ | 3,640,667 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 2,648,453 | $ | 2,649,321 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 85,630 | $ | 85,630 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 6,308,941 | $ | 6,375,618 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.2.1. Strategy:** KILLGORE RESEARCH CENTER | $ | 44,991 | $ | 44,991 |
| **C.2.2. Strategy:** WIND ENERGY RESEARCH | $ | 98,913 | $ | 107,905 |
| **C.2.3. Strategy:** INTEGRATED PEST MANAGEMENT | $ | 134,882 | $ | 134,882 |
| Integrated pest management. | | | | |
| **C.3.1. Strategy:** PANHANDLE-PLAINS MUSEUM | $ | 566,262 | $ | 541,174 |
| Panhandle-Plains Historical Museum. | | | | |
| **C.3.2. Strategy:** RURAL AGRI-BUSINESS | $ | 750,000 | $ | 750,000 |
| Rural agri-business incubator and accelerator. | | | | |
| **C.3.3. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 150,000 | $ | 150,000 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,133,860 | $ | 3,133,860 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 4,878,908 | $ | 4,862,812 |
| **Grand Total,** WEST TEXAS A&M UNIVERSITY | $ | 34,141,856 | $ | 34,706,979 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 25,408,195 | $ | 25,657,412 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 150,000 | | 150,000 |
| Estimated Statutory Tuition Increases Account No. 708 | | 454,236 | | 908,473 |
| Estimated Other Educational and General Income Account No. 770 | | 8,129,425 | | 7,991,094 |
| Subtotal, General Revenue Fund - Dedicated | $ | 8,733,661 | $ | 9,049,567 |
| **Total, Method of Financing** | $ | 34,141,856 | $ | 34,706,979 |

**Number of Full-Time-Equivalent Positions (FTE)-**

## WEST TEXAS A&M UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **Appropriated Funds** | | 612.4 | | 612.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 8,422,122 | $ | 8,673,761 |
| Other Personnel Costs | | 374,545 | | 381,432 |
| Faculty Salaries (Higher Education Only) | | 10,787,017 | | 10,941,896 |
| Operating Costs | | 9,542,346 | | 9,648,228 |
| Client Services | | 1,129,805 | | 1,170,964 |
| Grants | | 3,745,152 | | 3,745,152 |
| Capital Expenditures | | 140,869 | | 145,546 |
| **Total, Object-of-Expense Informational Listing** | $ | 34,141,856 | $ | 34,706,979 |

1. **Rural Agricultural/Business Incubator and Accelerator.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Rural Agricultural/Business Incubator and Accelerator will generate at least $1,500,000 additional revenue to the General Revenue Fund, $750,000 in each year of the biennium is included in the appropriation above for the Rural Agricultural/Business Incubator and Accelerator. It is the intent of the Legislature that state funds provided to the Rural Agricultural/Business Incubator and Accelerator be used by the center to attract federal funds on a dollar-for-dollar basis.

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $300,000 additional revenue to the General Revenue Fund, $150,000 in each year of the biennium is included in the appropriation above for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

## TEXAS A&M UNIVERSITY - COMMERCE

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 35.5% | | 36% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 73.7% | | 73.7% |
| Administrative Cost as a Percent of Total Expenditures | | 11% | | 11% |
| Certification Rate of Teacher Education Graduates | | 88.2% | | 88.2% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 41% | | 42% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 45% | | 48% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 27,517,955 | $ | 27,846,655 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 622,157 | $ | 629,589 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 1,925,432 | $ | 2,069,839 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 114,991 | $ | 118,441 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ | 8,992 | $ | 8,992 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,481,873 | $ | 1,530,428 |
| **A.1.7. Strategy:** INDIRECT COST RECOVERY | $ | 75,325 | $ | 75,325 |

## TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

| | | | | |
|---|---|---|---|---|
| Indirect cost recovery for research related activities. | | | | |
| **A.1.8. Strategy:** ORGANIZED ACTIVITIES | $ | 142,614 | $ | 142,614 |
| **A.1.9. Strategy:** EXCELLENCE FUNDING | $ | 704,379 | $ | 704,379 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 32,593,718 | $ | 33,126,262 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 4,192,008 | $ | 4,242,082 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 1,626,288 | $ | 1,626,288 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 5,818,296 | $ | 5,868,370 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** INDUSTRIAL ENGINEERING PROGRAM | $ | 438,523 | $ | 438,524 |
| Bachelor of Science Degree Program in Industrial Engineering. | | | | |
| **C.2.1. Strategy:** EDUCATIONAL CONSORTIUM | $ | 674,640 | $ | 674,640 |
| Northeast Texas Educational Partnership Consortium. | | | | |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,108,958 | $ | 2,108,958 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,222,121 | $ | 3,222,122 |
| **Grand Total,** TEXAS A&M UNIVERSITY - COMMERCE | $ | 41,634,135 | $ | 42,216,754 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 30,782,833 | $ | 31,020,159 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 1,142,152 | | 1,142,152 |
| Estimated Statutory Tuition Increases Account No. 708 | | 412,417 | | 824,835 |
| Estimated Other Educational and General Income Account No. 770 | | 9,296,733 | | 9,229,608 |
| Subtotal, General Revenue Fund - Dedicated | $ | 10,851,302 | $ | 11,196,595 |
| **Total, Method of Financing** | $ | 41,634,135 | $ | 42,216,754 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 739.2 | | 739.2 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 13,422,976 | $ | 14,774,945 |
| Other Personnel Costs | | 256,617 | | 98,097 |
| Faculty Salaries (Higher Education Only) | | 15,797,265 | | 16,431,036 |
| Operating Costs | | 7,715,462 | | 6,448,702 |
| Client Services | | 31,931 | | 5,830 |
| Grants | | 4,370,536 | | 4,419,092 |
| Capital Expenditures | | 39,348 | | 39,052 |
| **Total, Object-of-Expense Informational Listing** | $ | 41,634,135 | $ | 42,216,754 |

# TEXAS A&M UNIVERSITY - TEXARKANA

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Administrative Cost as a Percent of Total Expenditures | 26.5% | 26.5% |
| Certification Rate of Teacher Education Graduates | 94.7% | 94.7% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 77% | 78% |
| Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years | 82% | 83% |
| Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only) | 82% | 83% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 3,659,143 | $ 3,735,570 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 126,646 | $ 129,292 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 249,822 | $ 268,559 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 16,691 | $ 16,691 |
| **A.1.5. Strategy:** UNEMPLOYMENT COMPENSATION INSURANCE | $ 3,338 | $ 3,338 |
| **A.1.6. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 211,353 | $ 219,372 |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 170,946 | $ 170,946 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 4,437,939 | $ 4,543,768 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 1,390,117 | $ 1,419,151 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 1,752,845 | $ 1,750,339 |
| **B.1.3. Strategy:** LEASE OF FACILITIES | $ 2,155 | $ 2,155 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 3,145,117 | $ 3,171,645 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** ACADEMIC PROGRAMS | $ 755,338 | $ 755,338 |
| Academic programs and program development. | | |
| **C.2.1. Strategy:** NE TEXAS EDUCATION PARTNERSHIP | $ 78,796 | $ 78,796 |
| Northeast Texas Education Partnership. | | |
| **C.2.2. Strategy:** JEFFERSONIAN MODEL | $ 780,966 | $ 780,966 |
| Model that facilitates educational partnerships. | | |
| **C.3.1. Strategy:** TRANSITION FUNDING | $ 158,027 | $ 158,027 |
| **C.3.2. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,874,296 | $ 1,874,296 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 3,647,423 | $ 3,647,423 |
| **Grand Total,** TEXAS A&M UNIVERSITY - TEXARKANA | $ 11,230,479 | $ 11,362,836 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 9,801,508 | $ 9,881,941 |
| General Revenue Fund - Dedicated | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | 122,800 | 122,800 |
| Estimated Statutory Tuition Increases Account No. 708 | 117,404 | 234,808 |
| Estimated Other Educational and General Income Account No. 770 | 1,188,767 | 1,123,287 |

## TEXAS A&M UNIVERSITY - TEXARKANA
(Continued)

| | | | | |
|---|---|---|---|---|
| Subtotal, General Revenue Fund - Dedicated | $ | 1,428,971 | $ | 1,480,895 |
| **Total, Method of Financing** | $ | 11,230,479 | $ | 11,362,836 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 133.9 | | 133.9 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,750,399 | $ | 2,836,553 |
| Other Personnel Costs | | 406,357 | | 462,423 |
| Faculty Salaries (Higher Education Only) | | 3,990,307 | | 4,246,206 |
| Operating Costs | | 3,584,667 | | 3,482,141 |
| Client Services | | 121,548 | | 113,984 |
| Grants | | 213,508 | | 221,529 |
| Capital Expenditures | | 163,693 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 11,230,479 | $ | 11,362,836 |

1. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a two dollar per semester credit hour fee for a student endowment scholarship and internship program adopted by student referendum, pursuant to Education Code § 56.242.

## UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** INSTRUCTION/OPERATIONS<br>Provide instructional and operations support.<br>**A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ | 1,912,412 | $ | 1,916,180 |
| **B. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support.<br>**B.1.1. Strategy:** NASA PROGRAMS<br>High School Cooperative Education Program with NASA and Technology Outreach Program. | $ | 629,449 | $ | 629,449 |
| **Grand Total,** UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION | $ | 2,541,861 | $ | 2,545,629 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 70.1 | | 70.1 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,912,412 | $ | 1,916,180 |
| Operating Costs | | 629,449 | | 629,449 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,541,861 | $ | 2,545,629 |

## UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION
(Continued)

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $150,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

## UNIVERSITY OF HOUSTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 37.4% | 37.5% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 84.3% | 84.3% |
| Administrative Cost as a Percent of Total Expenditures | 9.2% | 8.9% |
| Certification Rate of Teacher Education Graduates | 91% | 91% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 38.5% | 39% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 43.5% | 43.5% |
| State Licensure Pass Rate of Law Graduates | 92.7% | 92.7% |
| State Licensure Pass Rate of Engineering Graduates | 92% | 92% |
| State Licensure Pass Rate of Pharmacy Graduates | 100% | 100% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 47.6 | 47.6 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 126,915,768 | $ 128,013,827 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 3,042,534 | $ 3,068,858 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 4,905,929 | $ 5,273,874 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 531,286 | $ 531,286 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 5,281,493 | $ 5,411,710 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 3,336,678 | $ 3,336,678 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 1,297,618 | $ 1,297,618 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 4,326,164 | $ 4,326,164 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 149,637,470 | $ 151,260,015 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 22,639,075 | $ 22,834,945 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 4,274,191 | $ 4,260,636 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 407,190 | $ 407,190 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 27,320,456 | $ 27,502,771 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** LEARNING AND COMPUTATION CENTER | $ 2,094,075 | $ 2,094,075 |
| **C.2.2. Strategy:** SPACE EXPLORATION | $ 378,602 | $ 378,602 |
| Houston Partnership for Space Exploration. | | |

| | | | | |
|---|---|---|---|---|
| **C.2.3. Strategy:** COMMERCIAL DEVELOPMENT OF SPACE | $ | 433,679 | $ | 433,679 |
| Center for Commercial Development of Space: Space Vacuum Epitaxy Center. | | | | |
| **C.2.4. Strategy:** SUPERCONDUCTIVITY CENTER | $ | 3,902,581 | $ | 3,902,581 |
| **C.3.1. Strategy:** SMALL BUSINESS DEVELOPMENT | $ | 2,719,133 | $ | 2,719,133 |
| University of Houston Small Business Development Center. | | | | |
| **C.3.2. Strategy:** HEALTH LAW & POLICY INSTITUTE | $ | 314,724 | $ | 314,724 |
| Health Law and Policy Institute. | | | | |
| **C.3.3. Strategy:** CENTER FOR PUBLIC POLICY | $ | 269,764 | $ | 269,764 |
| **C.3.4. Strategy:** PARTNERSHIPS-SUPPORT PUBLIC SCHOOLS | $ | 1,481,196 | $ | 1,481,196 |
| Partnerships to Support Public Schools. | | | | |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,205,212 | $ | 2,205,212 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 13,798,966 | $ | 13,798,966 |
| **Grand Total,** UNIVERSITY OF HOUSTON | $ | 190,756,892 | $ | 192,561,752 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 128,989,330 | $ | 129,461,117 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 12,524,974 | | 12,524,974 |
| Estimated Statutory Tuition Increases Account No. 708 | | 1,374,652 | | 2,749,304 |
| Estimated Other Educational and General Income Account No. 770 | | 47,867,936 | | 47,826,357 |
| Subtotal, General Revenue Fund - Dedicated | $ | 61,767,562 | $ | 63,100,635 |
| **Total, Method of Financing** | $ | 190,756,892 | $ | 192,561,752 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 3,097.3 | | 3,097.3 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 71,997,664 | $ | 77,040,579 |
| Other Personnel Costs | | 3,397,857 | | 3,365,864 |
| Faculty Salaries (Higher Education Only) | | 75,316,875 | | 75,144,704 |
| Operating Costs | | 36,600,665 | | 34,304,119 |
| Client Services | | 9,617 | | 9,657 |
| Capital Expenditures | | 3,434,214 | | 2,696,829 |
| **Total, Object-of-Expense Informational Listing** | $ | 190,756,892 | $ | 192,561,752 |

1. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,539,534 for the biennium in additional revenue to the General Revenue Fund, $2,269,767 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

## UNIVERSITY OF HOUSTON - CLEAR LAKE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Administrative Cost as a Percent of Total Expenditures | 16.1% | 16.1% |
| Certification Rate of Teacher Education Graduates | 65% | 65% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 55% | 55% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 10.8 | 10.8 |
| Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years | 78% | 78% |
| Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only) | 87.2% | 87.2% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 26,153,097 | $ 26,402,610 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 455,436 | $ 459,781 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 728,611 | $ 783,257 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 268,892 | $ 268,892 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,011,399 | $ 1,040,346 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 96,209 | $ 96,209 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 641,683 | $ 641,683 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 29,355,327 | $ 29,692,778 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 4,138,934 | $ 4,178,422 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,087,265 | $ 2,068,431 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 97,000 | $ 97,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 6,323,199 | $ 6,343,853 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** HIGH TECHNOLOGIES LABORATORY | $ 62,252 | $ 62,252 |
| **C.2.2. Strategy:** ENVIRONMENTAL STUDIES PARTNERSHIP | $ 449,607 | $ 449,607 |
| Houston Partnership for Environmental Studies. | | |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,806,849 | $ 1,806,849 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 2,318,708 | $ 2,318,708 |
| **Grand Total,** UNIVERSITY OF HOUSTON - CLEAR LAKE | $ 37,997,234 | $ 38,355,339 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 27,887,369 | $ 27,965,435 |

## UNIVERSITY OF HOUSTON - CLEAR LAKE
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 2,060,416 | | 2,060,416 |
| Estimated Statutory Tuition Increases Account No. 708 | | 304,206 | | 608,412 |
| Estimated Other Educational and General Income Account No. 770 | | 7,745,243 | | 7,721,076 |
| Subtotal, General Revenue Fund - Dedicated | $ | 10,109,865 | $ | 10,389,904 |
| **Total, Method of Financing** | $ | 37,997,234 | $ | 38,355,339 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 549.5 | | 549.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 11,610,866 | $ | 12,515,750 |
| Other Personnel Costs | | 465,445 | | 475,306 |
| Faculty Salaries (Higher Education Only) | | 14,026,785 | | 14,531,641 |
| Operating Costs | | 9,098,286 | | 8,338,394 |
| Grants | | 2,448,533 | | 2,448,533 |
| Capital Expenditures | | 347,319 | | 45,715 |
| **Total, Object-of-Expense Informational Listing** | $ | 37,997,234 | $ | 38,355,339 |

## UNIVERSITY OF HOUSTON - DOWNTOWN

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 20% | | 22.51% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 70.6% | | 70.6% |
| Administrative Cost as a Percent of Total Expenditures | | 16.8% | | 16.8% |
| Certification Rate of Teacher Education Graduates | | 85.4% | | 85.4% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 65% | | 65.1% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 43.53% | | 45.27% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | .81 | | .81 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 19,072,313 | $ | 19,415,160 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 952,634 | $ | 969,758 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 773,871 | $ | 831,911 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 217,799 | $ | 217,799 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,476,834 | $ | 1,530,061 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ | 50,988 | $ | 50,988 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 907,596 | $ | 907,596 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 23,452,035 | $ | 23,923,273 |

## UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 4,560,060 | $ | 4,642,033 |
| Educational and general space. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 3,424,882 | $ | 3,421,153 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 131,745 | $ | 131,745 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 8,116,687 | $ | 8,194,931 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.2.1. Strategy:** COMMUNITY DEVELOPMENT PROJECT | $ | 359,685 | $ | 359,685 |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,357,195 | $ | 2,357,195 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 2,716,880 | $ | 2,716,880 |
| **Grand Total,** UNIVERSITY OF HOUSTON - DOWNTOWN | $ | 34,285,602 | $ | 34,835,084 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 21,626,599 | $ | 21,725,817 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 8,100 | | 8,100 |
| Estimated Statutory Tuition Increases Account No. 708 | | 453,481 | | 906,963 |
| Estimated Other Educational and General Income Account No. 770 | | 12,197,422 | | 12,194,204 |
| Subtotal, General Revenue Fund - Dedicated | $ | 12,659,003 | $ | 13,109,267 |
| **Total, Method of Financing** | $ | 34,285,602 | $ | 34,835,084 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 549.1 | | 549.1 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 10,427,208 | $ | 13,338,742 |
| Other Personnel Costs | | 43,021 | | 34,134 |
| Faculty Salaries (Higher Education Only) | | 13,678,190 | | 14,074,131 |
| Operating Costs | | 9,161,228 | | 6,480,481 |
| Client Services | | 68,358 | | 0 |
| Grants | | 907,597 | | 907,596 |
| **Total, Object-of-Expense Informational Listing** | $ | 34,285,602 | $ | 34,835,084 |

## UNIVERSITY OF HOUSTON - VICTORIA

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Administrative Cost as a Percent of Total Expenditures | 18% | 18% |
| Certification Rate of Teacher Education Graduates | 86.4% | 86.4% |
| Percentage of Baccalaureate Graduates Who Are First Generation College Graduates | 43% | 43% |
| Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years | 74% | 74% |
| Retention Rate of First-time, Full-time, Degree-seeking Other Transfer Students after One Academic Year (Upper-level Institutions Only) | 90.4% | 90.4% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 6,614,381 | $ 6,676,221 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 190,880 | $ 192,664 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 173,458 | $ 186,467 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 94,866 | $ 94,866 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 349,829 | $ 360,935 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 11,891 | $ 11,891 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 276,173 | $ 276,173 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 7,711,478 | $ 7,799,217 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 1,716,789 | $ 1,732,840 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 1,523,475 | $ 1,524,359 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 31,735 | $ 31,735 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 3,271,999 | $ 3,288,934 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** REGIONAL OUTREACH CENTER | $ 269,764 | $ 269,764 |
| Center for Regional Outreach. | | |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,806,854 | $ 1,806,854 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 2,076,618 | $ 2,076,618 |
| **Grand Total,** UNIVERSITY OF HOUSTON - VICTORIA | $ 13,060,095 | $ 13,164,769 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 10,994,398 | $ 11,025,116 |
| General Revenue Fund - Dedicated | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | 598,234 | 598,234 |

## UNIVERSITY OF HOUSTON - VICTORIA
(Continued)

| | | | | |
|---|---|---|---|---|
| Estimated Statutory Tuition Increases Account No. 708 | | 83,019 | | 166,038 |
| Estimated Other Educational and General Income Account No. 770 | | 1,384,444 | | 1,375,381 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,065,697 | $ | 2,139,653 |
| **Total, Method of Financing** | $ | 13,060,095 | $ | 13,164,769 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 213.0 | | 213.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,926,684 | $ | 4,314,594 |
| Other Personnel Costs | | 137,759 | | 131,274 |
| Faculty Salaries (Higher Education Only) | | 3,416,722 | | 3,577,222 |
| Operating Costs | | 3,435,690 | | 3,334,825 |
| Grants | | 1,806,854 | | 1,806,854 |
| Capital Expenditures | | 336,386 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 13,060,095 | $ | 13,164,769 |

## MIDWESTERN STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 39.61% | | 41.59% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 74.5% | | 74.5% |
| Administrative Cost as a Percent of Total Expenditures | | 7.5% | | 7.5% |
| Certification Rate of Teacher Education Graduates | | 94.82% | | 95.45% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 55.7% | | 55.7% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 63.5% | | 63.5% |
| State Licensure Pass Rate of Nursing Graduates | | 88.6% | | 88.6% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 14,934,792 | $ | 15,273,785 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 836,330 | $ | 855,314 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 781,817 | $ | 840,453 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 268,018 | $ | 268,018 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,057,563 | $ | 1,100,460 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ | 24,919 | $ | 24,919 |
| Indirect cost recovery for research related activities. | | | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 500,786 | $ | 500,786 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 18,404,225 | $ | 18,863,735 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 3,627,114 | $ | 3,709,443 |
| Educational and general space support. | | | | |

## MIDWESTERN STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 1,235,471 | $ | 1,236,124 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 4,862,585 | $ | 4,945,567 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 100,000 | $ | 100,000 |
| **C.2.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,273,055 | $ | 2,156,149 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 2,373,055 | $ | 2,256,149 |
| **Grand Total,** MIDWESTERN STATE UNIVERSITY | $ | 25,639,865 | $ | 26,065,451 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 18,097,370 | $ | 18,226,542 |
| General Revenue Fund - Dedicated | | | | |
| Midwestern University Special Mineral Account No 412 | | 12,000 | | 3,000 |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 89,500 | | 89,500 |
| Estimated Statutory Tuition Increases Account No. 708 | | 466,804 | | 933,608 |
| Estimated Other Educational and General Income Account No. 770 | | 6,974,191 | | 6,812,801 |
| Subtotal, General Revenue Fund - Dedicated | $ | 7,542,495 | $ | 7,838,909 |
| **Total, Method of Financing** | $ | 25,639,865 | $ | 26,065,451 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 475.2 | | 475.2 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,744,402 | $ | 7,247,335 |
| Other Personnel Costs | | 141,170 | | 99,441 |
| Faculty Salaries (Higher Education Only) | | 10,967,532 | | 11,353,792 |
| Operating Costs | | 5,257,491 | | 5,200,605 |
| Grants | | 2,273,133 | | 2,164,278 |
| Capital Expenditures | | 256,137 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 25,639,865 | $ | 26,065,451 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $200,000 for the biennium in additional revenue to the General Revenue Fund, $100,000 is included in the appropriation above in each year of the biennium for the Small

Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be $9,000), in the Midwestern State University Special Mineral Fund No. 412 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Midwestern State University for the general operations of the university. Mineral Funds estimated to be $3,000 in 2004 and $3,000 in 2005.

## UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ 89,921 | $ 89,921 |
| **B. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **B.1.1. Strategy:** UNT SYSTEM CENTER AT DALLAS | $ 2,832,518 | $ 2,967,400 |
| **B.1.2. Strategy:** NORTH TEXAS AREA UNIVERSITIES Federation of North Texas Universities. | $ 623,794 | $ 623,794 |
| **Total, Goal B:** SPECIAL ITEM SUPPORT | $ 3,456,312 | $ 3,591,194 |
| **Grand Total,** UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION | $ 3,546,233 | $ 3,681,115 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | 40.8 | 40.9 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 36,921 | $ 36,921 |
| Operating Costs | 3,509,312 | 3,644,194 |
| **Total, Object-of-Expense Informational Listing** | $ 3,546,233 | $ 3,681,115 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $53,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

## UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION
(Continued)

2. **Federation of North Texas Area Universities.** The Comptroller of Public Accounts shall pay all warrants drawn on the identified strategy of the Federation of North Texas Area Universities for expenses incurred on federation business regardless of which member institution of the federation the payee is an employee.

## UNIVERSITY OF NORTH TEXAS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 40% | 42% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 79.9% | 79.9% |
| Administrative Cost as a Percent of Total Expenditures | 7.5% | 7.5% |
| Certification Rate of Teacher Education Graduates | 94% | 94% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 54.2% | 54.2% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 36.5% | 36.5% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 16 | 18 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 93,680,173 | $ 94,797,531 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 3,028,220 | $ 3,064,339 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 3,461,612 | $ 3,721,233 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 443,766 | $ 443,766 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 5,086,398 | $ 5,250,215 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 1,105,519 | $ 1,105,519 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 331,789 | $ 331,789 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 3,000,266 | $ 3,000,266 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 110,137,743 | $ 111,714,658 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 17,277,669 | $ 17,483,746 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 5,019,248 | $ 5,007,677 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 353,131 | $ 353,131 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 22,650,048 | $ 22,844,554 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** TEXAS ACADEMY OF MATH AND SCIENCE | $ 1,580,270 | $ 1,580,270 |
| **C.2.1. Strategy:** INSTITUTE OF APPLIED SCIENCES | $ 65,008 | $ 65,008 |
| **C.3.1. Strategy:** EMERGENCY MANAGEMENT CENTER | $ 52,206 | $ 52,206 |
| Center for Studies in Emergency Management. | | |

## UNIVERSITY OF NORTH TEXAS
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.3.2. Strategy:** CENTER FOR VOLUNTEERISM<br>Educational Center for Volunteerism. | $ | 89,921 | $ | 89,921 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 958,388 | $ | 958,388 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 2,745,793 | $ | 2,745,793 |
| **Grand Total,** UNIVERSITY OF NORTH TEXAS | $ | 135,533,584 | $ | 137,305,005 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 92,634,758 | $ | 93,118,113 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 2,566,244 | | 2,566,244 |
| Estimated Statutory Tuition Increases Account No. 708 | | 1,415,028 | | 2,830,056 |
| Estimated Other Educational and General Income Account No. 770 | | 38,917,554 | | 38,790,592 |
| Subtotal, General Revenue Fund - Dedicated | $ | 42,898,826 | $ | 44,186,892 |
| **Total, Method of Financing** | $ | 135,533,584 | $ | 137,305,005 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 2,690.9 | | 2,690.8 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 36,234,409 | $ | 35,826,038 |
| Other Personnel Costs | | 1,377,162 | | 1,509,242 |
| Faculty Salaries (Higher Education Only) | | 59,234,654 | | 60,720,691 |
| Operating Costs | | 28,182,075 | | 28,607,535 |
| Client Services | | 6,097,416 | | 6,233,641 |
| Grants | | 4,402,420 | | 4,402,421 |
| Capital Expenditures | | 5,448 | | 5,437 |
| **Total, Object-of-Expense Informational Listing** | $ | 135,533,584 | $ | 137,305,005 |

1. **Academic or Policy Research Program.** The Board of Regents of the University of North Texas is hereby authorized to use available funds or to enter into contracts, accept grants or matching grants for the purpose of establishing an academic or policy research program in conjunction with the Federal Emergency Management Agency (FEMA).

2. **Texas Academy of Mathematics and Science.** Notwithstanding any other provision of this Act, the University of North Texas may not transfer money appropriated under Strategy C.1.1, for the purpose of funding the Texas Academy of Mathematics and Science, for another purpose.

## STEPHEN F. AUSTIN STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 38.6% | 38.6% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 69.4% | 69.4% |
| Administrative Cost as a Percent of Total Expenditures | 9.3% | 9.3% |
| Certification Rate of Teacher Education Graduates | 95% | 95% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 47.1% | 47.1% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 60% | 60% |
| State Licensure Pass Rate of Nursing Graduates | 97.3% | 97.3% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 3.9 | 3.9 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 31,501,111 | $ 31,991,686 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 1,679,848 | $ 1,706,009 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 1,362,616 | $ 1,464,812 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 389,667 | $ 389,667 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 2,151,803 | $ 2,239,964 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ 203,676 | $ 203,676 |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 472,452 | $ 472,452 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 1,104,500 | $ 1,104,500 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 38,865,673 | $ 39,572,766 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ 7,135,458 | $ 7,246,580 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT<br>Tuition Revenue Bond retirementt. | $ 1,353,287 | $ 1,358,915 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 153,495 | $ 153,495 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 8,642,240 | $ 8,758,990 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** APPLIED FORESTRY STUDIES CENTER<br>Center for Applied Studies in Forestry. | $ 761,098 | $ 761,098 |
| **C.3.1. Strategy:** STONE FORT MUSEUM & RESEARCH CENTER<br>Stone Fort Museum and Research Center of East Texas. | $ 146,786 | $ 145,073 |
| **C.3.2. Strategy:** SOIL PLANT & WATER ANALYSIS LAB<br>Soil Plant and Water Analysis Laboratory. | $ 83,734 | $ 82,755 |
| **C.3.3. Strategy:** APPLIED POULTRY STUDIES & RESEARCH<br>Applied Poultry Studies and Research. | $ 71,981 | $ 71,981 |

## STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,704,757 | $ | 2,704,051 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,768,356 | $ | 3,764,958 |
| **Grand Total,** STEPHEN F. AUSTIN STATE UNIVERSITY | $ | 51,276,269 | $ | 52,096,714 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 36,244,605 | $ | 36,479,816 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 653,971 | | 1,307,942 |
| Estimated Other Educational and General Income Account No. 770 | | 14,377,693 | | 14,308,956 |
| Subtotal, General Revenue Fund - Dedicated | $ | 15,031,664 | $ | 15,616,898 |
| **Total, Method of Financing** | $ | 51,276,269 | $ | 52,096,714 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,048.4 | | 1,048.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 14,410,416 | $ | 8,194,564 |
| Other Personnel Costs | | 911,384 | | 3,936,883 |
| Faculty Salaries (Higher Education Only) | | 20,640,296 | | 24,075,924 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 614,430 | | 0 |
| Operating Costs | | 8,486,375 | | 9,840,825 |
| Client Services | | 2,151,803 | | 2,239,964 |
| Grants | | 1,104,501 | | 3,808,554 |
| Capital Expenditures | | 2,957,064 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 51,276,269 | $ | 52,096,714 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

## TEXAS SOUTHERN UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 15.8% | 15.8% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 66% | 66% |
| Administrative Cost as a Percent of Total Expenditures | 11.7% | 11.7% |
| Certification Rate of Teacher Education Graduates | 65% | 65% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 48.3% | 48.3% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 46% | 48% |
| State Licensure Pass Rate of Law Graduates | 80% | 80% |
| State Licensure Pass Rate of Pharmacy Graduates | 94% | 94% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 4.9 | 4.9 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 31,286,405 | $ 31,571,502 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 880,370 | $ 888,392 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 798,916 | $ 858,835 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 193,889 | $ 193,889 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 2,076,642 | $ 2,122,476 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 485,000 | $ 485,000 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 54,446 | $ 54,446 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 1,030,731 | $ 1,030,731 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 36,806,399 | $ 37,205,271 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 6,113,823 | $ 6,169,535 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 6,821,441 | $ 6,826,630 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 92,990 | $ 92,990 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 13,028,254 | $ 13,089,155 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** THURGOOD MARSHALL SCHOOL OF LAW | $ 498,001 | $ 498,001 |
| **C.1.2. Strategy:** ACCREDITATION - BUSINESS | $ 74,153 | $ 74,153 |
| Accreditation continuation - business. | | |
| **C.1.3. Strategy:** ACCREDITATION - PHARMACY | $ 74,793 | $ 74,793 |
| Accreditation continuation - pharmacy. | | |
| **C.1.4. Strategy:** ACCREDITATION - EDUCATION | $ 93,698 | $ 93,698 |
| Accreditation continuation - education. | | |
| **C.2.1. Strategy:** MICKEY LELAND CENTER | $ 72,460 | $ 72,460 |
| Mickey Leland Center on World Hunger and Peace. | | |
| **C.2.2. Strategy:** COMMUNITY REDEVELOPMENT PROJECT | $ 89,921 | $ 89,921 |
| **C.2.3. Strategy:** TEXAS SUMMER ACADEMY | $ 449,606 | $ 449,606 |
| **C.3.1. Strategy:** MIS/FISCAL OPERATIONS | $ 148,271 | $ 148,271 |
| Integrated plan to improve Management Information Services and fiscal operations. | | |

## TEXAS SOUTHERN UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.3.2. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 4,762,691 | $ | 4,762,692 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 6,263,594 | $ | 6,263,595 |
| **D. Goal:** TEXAS COMMITMENT-OCR PRIORITY PLAN<br>Texas commitment - OCR Priority Plan. | | | | |
| **D.1.1. Strategy:** OCR PRIORITY PLAN | $ | 11,240,152 | $ | 11,240,152 & UB |
| Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students. | | | | |
| **Grand Total,** TEXAS SOUTHERN UNIVERSITY | $ | 67,338,399 | $ | 67,798,173 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 48,577,085 | $ | 48,645,404 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 2,582,344 | | 2,582,344 |
| Estimated Statutory Tuition Increases Account No. 708 | | 355,908 | | 711,815 |
| Estimated Other Educational and General Income Account No. 770 | | 15,823,062 | | 15,858,610 |
| Subtotal, General Revenue Fund - Dedicated | $ | 18,761,314 | $ | 19,152,769 |
| **Total, Method of Financing** | $ | 67,338,399 | $ | 67,798,173 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 738.3 | | 738.3 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 15,561,908 | $ | 15,333,429 |
| Other Personnel Costs | | 1,133,539 | | 808,522 |
| Faculty Salaries (Higher Education Only) | | 17,808,085 | | 17,638,736 |
| Operating Costs | | 13,545,105 | | 14,692,739 |
| Client Services | | 2,076,642 | | 2,250,028 |
| Grants | | 17,033,575 | | 17,033,577 |
| Capital Expenditures | | 179,545 | | 41,142 |
| **Total, Object-of-Expense Informational Listing** | $ | 67,338,399 | $ | 67,798,173 |

1. **Thurgood Marshall School of Law.** In addition to general revenue funds identified above for the operation and maintenance of the Thurgood Marshall School of Law, all tuition and fee revenues generated through enrollment in the School of Law, including Texas Public Education Grants and Emergency Loans under Education Code, Chapter 56 (Student Financial Aid Assistance), shall be allocated for use by the School of Law and may only be expended for purposes related to the operation and maintenance of the School of Law and its students.

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

| OCR Priority Plan Items | in millions 2004 | 2005 |
|---|---|---|
| 1. Meet State Auditor's Office Requirements | $ 0 | $ 0 |
| 2. Academic Planning | $ 0.39 | $ 0.39 |
| 3. Development Office | $ 0.63 | $ 0.63 |
| 4. Facilities Planning | $ 0.13 | $ 0.13 |
| 5. Information Technology | $ 1.03 | $ 1.03 |
| 6. Human Resources | $ 0 | $ 0 |
| 7. Student Enrollment | $ 0.23 | $ 0.23 |
| 8. Summer and First Year Student Support Program | $ 0.90 | $ 0.90 |
| 9. Basic Skills Program | $ 0.40 | $ 0.40 |
| 10. Endowed Honors and Institutional Scholarships | $ 1.03 | $ 1.03 |
| 11. Review and Strengthen Programs | $ 0.94 | $ 0.94 |
| 12. Accreditation of Programs | $ 0.23 | $ 0.23 |
| 13. Enhance Law, Pharmacy, Business and Educator Preparation Programs | $ 1.39 | $ 1.39 |
| 14. MA/PhD Urban Planning and Environmental Policy | $ 0.67 | $ 0.67 |
| 15. MS Health Care Administration | $ 0.45 | $ 0.45 |
| 16. MS in Computer Science | $ 0.23 | $ 0.23 |
| 17. MS/PhD in Biomedical and Pharmaceutical Sciences | $ 0.45 | $ 0.45 |
| 18. MA/PhD in Administration of Justice | $ 0.45 | $ 0.45 |
| 19. BS in Computer Engineering Technology | $ 0.33 | $ 0.33 |
| 20. MS in Management Information Systems | $ 0.23 | $ 0.23 |
| 21. Four Endowed Chairs | $ 0.90 | $ 0.90 |
| 22. Re-establish School of Public Affairs | $ 0.23 | $ 0.23 |
| 23. Child Care Center | $ 0 | $ 0 |
| Total | $ 11.24 | $ 11.24 & UB |

4. **OCR Priority Plan Reporting Requirements.** Texas Southern University shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks, and performance measures adopted in accordance with the OCR Priority Plan. Texas Southern University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Any unexpended balances as of August 31, 2003, appropriated by the Seventy-seventh Legislature for the OCR Priority Plan, are hereby appropriated to Texas Southern University for the biennium beginning September 1, 2004 (estimated to be $0). It is legislative intent that any funds not spent during the 2004–05 biennium be transferred to the 2006–07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

5. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

## TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** INSTRUCTION/OPERATIONS<br>Provide instructional and operations support. | | |
| **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ 449,606 | $ 449,606 |
| **Grand Total,** TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION | $ 449,606 | $ 449,606 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | 145.7 | 145.7 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 324,606 | $ 324,606 |
| Operating Costs | 125,000 | 125,000 |
| **Total, Object-of-Expense Informational Listing** | $ 449,606 | $ 449,606 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $125,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

## TEXAS TECH UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS<br>Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 52% | 52% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 88.1% | 88.1% |
| Administrative Cost as a Percent of Total Expenditures | 10.3% | 10.3% |
| Certification Rate of Teacher Education Graduates | 82% | 82% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 15% | 15% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 34% | 34% |
| State Licensure Pass Rate of Law Graduates | 90% | 90% |
| State Licensure Pass Rate of Engineering Graduates | 92.5% | 92.5% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 29 | 29 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 97,050,941 | $ 98,275,055 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 3,162,326 | $ 3,202,214 |

| | | | | |
|---|---|---|---|---|
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 3,421,929 | $ | 3,678,574 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 688,475 | $ | 688,475 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 5,367,184 | $ | 5,549,010 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 3,150,000 | $ | 3,150,000 |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ | 219,815 | $ | 219,815 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ | 3,489,660 | $ | 3,489,660 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 116,550,330 | $ | 118,252,803 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 19,705,075 | $ | 19,953,617 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 5,958,688 | $ | 5,511,314 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 229,080 | $ | 229,080 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 25,892,843 | $ | 25,694,011 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.1.1. Strategy:** LIBRARY ARCHIVAL SUPPORT | $ | 674,409 | $ | 674,409 |
| **C.1.2. Strategy:** MASTER'S OF SOCIAL WORK<br>Master's of Social Work Program. | $ | 44,961 | $ | 44,961 |
| **C.2.1. Strategy:** AGRICULTURAL RESEARCH<br>Research to enhance agricultural production and add value to agricultural products in Texas. | $ | 2,053,695 | $ | 2,053,695 |
| **C.2.2. Strategy:** ENERGY RESEARCH<br>Research in energy production and environmental protection in Texas. | $ | 870,248 | $ | 870,248 |
| **C.2.3. Strategy:** EMERGING TECHNOLOGIES RESEARCH<br>Research in emerging technologies and economic development in Texas. | $ | 490,207 | $ | 490,207 |
| **C.3.1. Strategy:** JUNCTION ANNEX OPERATION | $ | 326,047 | $ | 326,047 |
| **C.3.2. Strategy:** MITC - FREDERICKSBURG | $ | 449,606 | $ | 449,606 |
| **C.3.3. Strategy:** SMALL BUSINESS DEVELOPMENT<br>Small Business Development Center. | $ | 950,000 | $ | 950,000 |
| **C.3.4. Strategy:** MUSEUMS & CENTERS<br>Museums and historical, cultural, and educational centers. | $ | 1,832,265 | $ | 1,652,423 |
| **C.3.5. Strategy:** INTERNATIONAL TRADE CENTER | $ | 600,000 | $ | 600,000 |
| **C.3.6. Strategy:** CENTER FOR FINANCIAL RESPONSIBILITY | $ | 215,811 | $ | 215,811 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 5,190,071 | $ | 5,190,071 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 13,697,320 | $ | 13,517,478 |
| **Grand Total,** TEXAS TECH UNIVERSITY | $ | 156,140,493 | $ | 157,464,292 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 108,816,989 | $ | 108,831,787 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 5,627,421 | | 5,627,421 |

## TEXAS TECH UNIVERSITY
(Continued)

| | | |
|---|---|---|
| Estimated Statutory Tuition Increases Account No. 708 | 1,584,502 | 3,169,004 |
| Estimated Other Educational and General Income Account No. 770 | 40,111,581 | 39,836,080 |
| Subtotal, General Revenue Fund - Dedicated | $ 47,323,504 | $ 48,632,505 |
| **Total, Method of Financing** | $ 156,140,493 | $ 157,464,292 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 3,075.0 | 3,075.0 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 44,817,095 | $ 45,189,640 |
| Other Personnel Costs | 753,878 | 724,339 |
| Faculty Salaries (Higher Education Only) | 72,002,087 | 72,739,893 |
| Operating Costs | 34,938,340 | 35,183,906 |
| Grants | 3,162,330 | 3,202,215 |
| Capital Expenditures | 466,763 | 424,299 |
| **Total, Object-of-Expense Informational Listing** | $ 156,140,493 | $ 157,464,292 |

1. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,900,000 for the biennium in additional revenue to the General Revenue Fund, $950,000 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

2. **Texas Tech University Museum.** Out of funds appropriated above in Strategy C.3.4. for the Museums and Historical, Cultural and Educational Centers, $533,565 in fiscal year 2004 and $433,565 in fiscal year 2005 shall be allocated to the Ranching Heritage Center, and $266,859 in each fiscal year shall be allocated to the Lubbock Lake Landmark.

3. **International Trade Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the International Trade Center will generate at least $1,200,000 for the biennium in additional revenue to the General Revenue Fund, $600,000 is included in the appropriation above in each year of the biennium for the International Trade Center. It is the intent of the Legislature that state funds provided to the International Trade Center be used by the center to attract federal funds on a dollar-for-dollar basis.

## TEXAS WOMAN'S UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 44.8% | 45% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 80.2% | 80.2% |
| Administrative Cost as a Percent of Total Expenditures | 11.7% | 11.7% |
| Certification Rate of Teacher Education Graduates | 85% | 85% |

# TEXAS WOMAN'S UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 76.4% | | 76.4% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 45% | | 45% |
| State Licensure Pass Rate of Nursing Graduates | | 98% | | 98% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | 2 | | 2 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 36,822,994 | $ | 37,233,426 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 822,431 | $ | 831,598 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 706,665 | $ | 759,665 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 642,161 | $ | 642,161 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,745,101 | $ | 1,805,956 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 173,254 | $ | 173,254 |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ | 1,161,600 | $ | 1,161,600 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 42,074,206 | $ | 42,607,660 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 4,650,232 | $ | 4,702,064 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 2,570,807 | $ | 2,577,821 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 106,872 | $ | 106,872 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 7,327,911 | $ | 7,386,757 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.1.1. Strategy:** LIBRARY ASSESSMENT<br>Texas Medical Center Library assessment. | $ | 180,152 | $ | 180,152 |
| **C.2.1. Strategy:** NUTRITION RESEARCH PROGRAM<br>Human Nutrition Research Development Program. | $ | 79,672 | $ | 79,672 |
| **C.2.2. Strategy:** WOMEN'S HEALTH RESEARCH CENTER<br>Center for Research on Women's Health. | $ | 606,968 | $ | 606,968 |
| **C.3.1. Strategy:** READING RECOVERY | $ | 229,299 | $ | 229,299 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,235,290 | $ | 2,235,290 |
| **C.4.2. Strategy:** TOTAL FUNDING HOLD HARMLESS | $ | 1,344,246 | $ | 1,344,246 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 4,675,627 | $ | 4,675,627 |
| **Grand Total,** TEXAS WOMAN'S UNIVERSITY | $ | 54,077,744 | $ | 54,670,044 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 41,659,265 | $ | 41,851,780 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 1,275,600 | | 1,275,600 |
| Estimated Statutory Tuition Increases Account No. 708 | | 492,223 | | 984,445 |
| Estimated Other Educational and General Income Account No. 770 | | 10,650,656 | | 10,558,219 |
| Subtotal, General Revenue Fund - Dedicated | $ | 12,418,479 | $ | 12,818,264 |
| **Total, Method of Financing** | $ | 54,077,744 | $ | 54,670,044 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 1,016.7 | | 1,016.7 |

## TEXAS WOMAN'S UNIVERSITY
(Continued)

| | | |
|---|---|---|
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 14,930,713 | $ 14,948,512 |
| Other Personnel Costs | 843,137 | 723,821 |
| Faculty Salaries (Higher Education Only) | 19,933,040 | 20,634,966 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 507,967 | 453,592 |
| Operating Costs | 11,249,576 | 11,339,537 |
| Client Services | 19,418 | 20,793 |
| Grants | 5,563,568 | 5,572,738 |
| Capital Expenditures | 1,030,325 | 976,085 |
| **Total, Object-of-Expense Informational Listing** | $ 54,077,744 | $ 54,670,044 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $35,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

## BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** INSTRUCTION/OPERATIONS<br>Provide instructional and operations support. | | |
| **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS | $ 1,228,162 | $ 1,230,022 |
| **Grand Total,** BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE | $ 1,228,162 | $ 1,230,022 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | 11.1 | 11.1 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,143,162 | $ 1,145,022 |
| Operating Costs | 85,000 | 85,000 |
| **Total, Object-of-Expense Informational Listing** | $ 1,228,162 | $ 1,230,022 |

1. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $85,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

2. **Audit of Base Period Contact Hours.** The hours used in the contact hour base period to fund the Lamar State Colleges are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts at the direction of the Legislative Budget Board. The total amount appropriated to the two year institution's contact hour formula shall be redistributed to all institutions funded by the formula based on contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total amount appropriated to the institution for the biennium.

3. **Transferability.** The Board of Regents of the Texas State University System is authorized to transfer and utilize funds appropriated to Sul Ross State University and Sul Ross State University-Rio Grande College between the campuses if necessary to accomplish the capital improvement goals of the University.

## ANGELO STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 36% | 37% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 69% | 69% |
| Administrative Cost as a Percent of Total Expenditures | 10.3 | 10 |
| Certification Rate of Teacher Education Graduates | 82% | 82% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 51% | 51% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 56% | 58% |
| State Licensure Pass Rate of Nursing Graduates | 95.2% | 95.2% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 16,387,449 | $ 16,653,879 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 974,942 | $ 990,793 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 495,710 | $ 532,888 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 169,006 | $ 169,006 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,140,515 | $ 1,185,447 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 12,000 | $ 12,000 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 92,606 | $ 92,606 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 647,127 | $ 647,127 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 19,919,355 | $ 20,283,746 |

## ANGELO STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 3,427,973 | $ | 3,483,705 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 3,964,656 | $ | 3,947,846 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 69,000 | $ | 69,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 7,461,629 | $ | 7,500,551 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** SCHOOL-BASED CLINICS | $ | 50,356 | $ | 50,356 |
| **C.1.2. Strategy:** CENTER FOR ACADEMIC EXCELLENCE | $ | 448,249 | $ | 448,249 |
| **C.2.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 79,014 | $ | 79,014 |
| **C.2.2. Strategy:** CENTER FOR FINE ARTS | $ | 146,122 | $ | 146,122 |
| **C.2.3. Strategy:** MGT/INSTRUCTION/RESEARCH CENTER | $ | 265,911 | $ | 265,911 |
| Management, Instruction, and Research Center. | | | | |
| **C.2.4. Strategy:** WEST TEXAS TRAINING CENTER | $ | 831,771 | $ | 831,771 |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,303,337 | $ | 3,368,127 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 5,124,760 | $ | 5,189,550 |
| **Grand Total,** ANGELO STATE UNIVERSITY | $ | 32,505,744 | $ | 32,973,847 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 24,990,509 | $ | 25,171,865 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 352,963 | | 705,925 |
| Estimated Other Educational and General Income Account No. 770 | | 7,162,272 | | 7,096,057 |
| Subtotal, General Revenue Fund - Dedicated | $ | 7,515,235 | $ | 7,801,982 |
| **Total, Method of Financing** | $ | 32,505,744 | $ | 32,973,847 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 514.1 | | 514.1 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 8,395,850 | $ | 8,276,543 |
| Other Personnel Costs | | 430,346 | | 391,305 |
| Faculty Salaries (Higher Education Only) | | 13,393,551 | | 13,709,413 |
| Operating Costs | | 10,043,870 | | 9,700,186 |
| Grants | | 169,007 | | 169,007 |
| Capital Expenditures | | 73,120 | | 727,393 |
| **Total, Object-of-Expense Informational Listing** | $ | 32,505,744 | $ | 32,973,847 |

## LAMAR UNIVERSITY - BEAUMONT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 26.4% | 26.5% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 70.5% | 70.5% |
| Administrative Cost as a Percent of Total Expenditures | 13.6% | 13.6% |
| Certification Rate of Teacher Education Graduates | 78.7% | 78.7% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 46.3% | 46.3% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 63.5% | 64% |
| State Licensure Pass Rate of Engineering Graduates | 95% | 95% |
| State Licensure Pass Rate of Nursing Graduates | 95% | 95% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 1.7 | 1.7 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 26,165,574 | $ 26,530,284 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 1,299,021 | $ 1,317,128 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 735,227 | $ 790,369 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 344,363 | $ 344,363 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 2,248,118 | $ 2,327,813 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 179,468 | $ 179,468 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 955,292 | $ 955,292 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 31,927,063 | $ 32,444,717 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 4,590,258 | $ 4,654,240 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,052,758 | $ 2,051,859 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 105,430 | $ 105,430 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 6,748,446 | $ 6,811,529 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** ACADEMY IN HUMANITIES LEADERSHIP | $ 308,501 | $ 308,501 |
| Texas Academy of Leadership in the Humanities. | | |
| **C.2.1. Strategy:** HAZARDOUS SUBSTANCE RESEARCH CENTER | $ 434,766 | $ 434,766 |
| Gulf Coast Hazardous Substance Research Center. | | |
| **C.2.2. Strategy:** AIR QUALITY INITIATIVE | $ 629,449 | $ 629,449 |
| Air Quality Initiative: Texas Hazardous Waste Research Center. | | |
| **C.3.1. Strategy:** SPINDLETOP MUSEUM EDUC'AL ACTIVITY | $ 29,554 | $ 29,554 |
| Spindletop Museum educational activities. | | |
| **C.3.2. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ 106,063 | $ 106,063 |
| **C.3.3. Strategy:** COMMUNITY OUTREACH EXPANSION | $ 78,905 | $ 78,905 |
| Public service/community outreach expansion. | | |

## LAMAR UNIVERSITY - BEAUMONT
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.3.4. Strategy:** SPINDLETOP TEACHING CENTER<br>Spindletop Center for Excellence in Teaching Technology. | $ | 134,882 | $ | 134,882 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,376,138 | $ | 2,376,138 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 4,098,258 | $ | 4,098,258 |
| **Grand Total,** LAMAR UNIVERSITY - BEAUMONT | $ | 42,773,767 | $ | 43,354,504 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 31,377,891 | $ | 31,568,398 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 468,253 | | 936,505 |
| Estimated Other Educational and General Income Account No. 770 | | 10,927,623 | | 10,849,601 |
| Subtotal, General Revenue Fund - Dedicated | $ | 11,395,876 | $ | 11,786,106 |
| **Total, Method of Financing** | $ | 42,773,767 | $ | 43,354,504 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 779.6 | | 779.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 7,532,227 | $ | 7,824,901 |
| Other Personnel Costs | | 8,290,806 | | 8,490,542 |
| Faculty Salaries (Higher Education Only) | | 13,051,555 | | 13,180,316 |
| Operating Costs | | 11,336,580 | | 11,494,186 |
| Grants | | 2,248,121 | | 2,327,814 |
| Capital Expenditures | | 314,478 | | 36,745 |
| **Total, Object-of-Expense Informational Listing** | $ | 42,773,767 | $ | 43,354,504 |

1. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $212,126 for the biennium in additional revenue to the General Revenue Fund, $106,063 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

## LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS<br>Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Courses Completed | 91.5% | 91.5% |
| Percent of Contact Hours Taught by Full-time Faculty | 74.8% | 74.8% |
| Percentage of Developmental Education Students Who Pass TASP | 17.8% | 17.8% |
| Administrative Cost as a Percent of Total Expenditures | 13% | 13% |

## LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ | 2,605,731 | $ | 2,661,732 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,359,809 | $ | 4,359,810 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 179,345 | $ | 192,796 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 8,836 | $ | 8,836 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 396,239 | $ | 412,130 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 7,549,960 | $ | 7,635,304 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 1,449,657 | $ | 1,449,388 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 573,548 | $ | 574,465 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 26,000 | $ | 26,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 2,049,205 | $ | 2,049,853 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** WORKFORCE LITERACY | $ | 35,556 | $ | 35,556 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,435,775 | $ | 1,419,972 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 1,471,331 | $ | 1,455,528 |
| **Grand Total,** LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY | $ | 11,070,496 | $ | 11,140,685 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 8,777,482 | $ | 8,762,519 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 95,914 | | 191,829 |
| Estimated Other Educational and General Income Account No. 770 | | 2,197,100 | | 2,186,337 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,293,014 | $ | 2,378,166 |
| **Total, Method of Financing** | $ | 11,070,496 | $ | 11,140,685 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 150.2 | | 150.2 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,853,913 | $ | 2,303,348 |
| Other Personnel Costs | | 179,345 | | 192,796 |
| Faculty Salaries (Higher Education Only) | | 3,282,880 | | 3,560,730 |
| Operating Costs | | 4,685,425 | | 4,215,527 |
| Grants | | 405,077 | | 420,968 |
| Capital Expenditures | | 663,856 | | 447,316 |
| **Total, Object-of-Expense Informational Listing** | $ | 11,070,496 | $ | 11,140,685 |

## LAMAR UNIVERSITY - ORANGE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Courses Completed | 88.3% | 88.3% |
| Number of Students Who Transfer to a University | 350 | 350 |
| Percent of Contact Hours Taught by Full-time Faculty | 69% | 69% |
| Percentage of Developmental Education Students Who Pass TASP | 16% | 16% |
| Administrative Cost as a Percent of Total Expenditures | 14.75% | 14.75% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ 2,618,590 | $ 2,651,707 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 1,320,594 | $ 1,320,594 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 99,944 | $ 107,440 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 63,983 | $ 63,983 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 292,099 | $ 301,415 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 11,000 | $ 11,000 |
| Indirect Cost Recovery for Research Related Activities. | | |
| **A.1.7. Strategy:** EXCELLENCE FUNDING | $ 69,942 | $ 69,942 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 4,476,152 | $ 4,526,081 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 962,480 | $ 962,248 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 430,451 | $ 428,660 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 22,855 | $ 22,855 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 1,415,786 | $ 1,413,763 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,438,728 | $ 1,438,728 |
| **Grand Total,** LAMAR UNIVERSITY - ORANGE | $ 7,330,666 | $ 7,378,572 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 5,698,124 | $ 5,695,098 |
| General Revenue Fund - Dedicated | | |
| Estimated Statutory Tuition Increases Account No. 708 | 64,629 | 129,257 |
| Estimated Other Educational and General Income Account No. 770 | 1,567,913 | 1,554,217 |
| Subtotal, General Revenue Fund - Dedicated | $ 1,632,542 | $ 1,683,474 |
| **Total, Method of Financing** | $ 7,330,666 | $ 7,378,572 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 115.0 | 115.0 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 2,012,282 | $ 2,095,365 |
| Other Personnel Costs | 87,738 | 87,294 |
| Faculty Salaries (Higher Education Only) | 2,245,362 | 2,329,513 |

## LAMAR UNIVERSITY - ORANGE
(Continued)

| | | | | |
|---|---|---|---|---|
| Operating Costs | | 2,570,178 | | 2,451,330 |
| Grants | | 131,033 | | 131,031 |
| Capital Expenditures | | 284,073 | | 284,039 |
| **Total, Object-of-Expense Informational Listing** | $ | 7,330,666 | $ | 7,378,572 |

## LAMAR UNIVERSITY - PORT ARTHUR

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Courses Completed | | 90% | | 90% |
| Number of Students Who Transfer to a University | | 455 | | 455 |
| Percent of Contact Hours Taught by Full-time Faculty | | 70% | | 70% |
| Percentage of Developmental Education Students Who Pass TASP | | 50% | | 50% |
| Administrative Cost as a Percent of Total Expenditures | | 13% | | 13% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,886,917 | $ | 3,968,254 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,822,170 | $ | 2,822,170 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 180,657 | $ | 194,206 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 109,975 | $ | 109,975 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 271,140 | $ | 282,929 |
| **A.1.6. Strategy:** EXCELLENCE FUNDING | $ | 219,536 | $ | 219,536 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 7,490,395 | $ | 7,597,070 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 1,348,205 | $ | 1,348,000 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 817,473 | $ | 817,049 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ | 28,000 | $ | 28,000 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 2,193,678 | $ | 2,193,049 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.2.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 134,882 | $ | 134,882 |
| **C.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,429,872 | $ | 1,429,872 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 1,564,754 | $ | 1,564,754 |
| **Grand Total,** LAMAR UNIVERSITY - PORT ARTHUR | $ | 11,248,827 | $ | 11,354,873 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 8,639,897 | $ | 8,636,513 |

## LAMAR UNIVERSITY - PORT ARTHUR
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 117,973 | | 235,945 |
| Estimated Other Educational and General Income Account No. 770 | | 2,490,957 | | 2,482,415 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,608,930 | $ | 2,718,360 |
| **Total, Method of Financing** | $ | 11,248,827 | $ | 11,354,873 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 256.7 | | 256.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,883,051 | $ | 3,930,369 |
| Faculty Salaries (Higher Education Only) | | 3,303,345 | | 3,356,355 |
| Operating Costs | | 2,031,906 | | 2,025,836 |
| Client Services | | 271,140 | | 282,929 |
| Grants | | 109,977 | | 109,976 |
| Capital Expenditures | | 1,649,408 | | 1,649,408 |
| **Total, Object-of-Expense Informational Listing** | $ | 11,248,827 | $ | 11,354,873 |

## SAM HOUSTON STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | | 40% | | 41% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | | 70% | | 71% |
| Administrative Cost as a Percent of Total Expenditures | | 12.6% | | 12.3% |
| Certification Rate of Teacher Education Graduates | | 87.5% | | 87.5% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 46% | | 46% |
| Percent of Lower Division Courses Taught by Tenured Faculty | | 62.5% | | 62.5% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | | 1.5 | | 1.5 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 35,302,192 | $ | 35,862,961 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 1,961,368 | $ | 1,992,523 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 978,991 | $ | 1,052,415 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 290,439 | $ | 290,439 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 2,353,715 | $ | 2,451,800 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY<br>Indirect cost recovery for research related activities. | $ | 432,769 | $ | 432,769 |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ | 97,773 | $ | 97,773 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ | 976,677 | $ | 976,677 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 42,393,924 | $ | 43,157,357 |

## SAM HOUSTON STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 6,896,276 | $ | 7,005,822 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 2,141,113 | $ | 2,134,515 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 9,037,389 | $ | 9,140,337 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** ACADEMIC ENRICHMENT CENTER | $ | 134,882 | $ | 134,882 |
| Academic Enrichment Center/Advisement Center. | | | | |
| **C.3.1. Strategy:** SAM HOUSTON MUSEUM | $ | 396,048 | $ | 396,048 |
| **C.3.2. Strategy:** BUSINESS & ECONOMIC DEVELOPMENT CTR | $ | 160,125 | $ | 160,125 |
| Center for Business and Economic Development. | | | | |
| **C.3.3. Strategy:** LAW ENFORCEMENT MGT INSTITUTE | $ | 3,568,336 | $ | 3,819,000 |
| Bill Blackwood Law Enforcement Management Institute of Texas. Estimated. | | | | |
| **C.3.4. Strategy:** CORRECTIONAL MANAGEMENT INSTITUTE | $ | 1,223,938 | $ | 1,909,500 |
| Criminal Justice Correctional Management Institute of Texas. | | | | |
| **C.4.1. Strategy:** ENVIRONMENTAL STUDIES INSTITUTE | $ | 157,576 | $ | 157,576 |
| Institute of Environmental Studies. | | | | |
| **C.4.2. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,924,770 | $ | 2,767,296 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 8,565,675 | $ | 9,344,427 |
| **Grand Total,** SAM HOUSTON STATE UNIVERSITY | $ | 59,996,988 | $ | 61,642,121 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 37,686,306 | $ | 37,731,406 |
| General Revenue Fund - Dedicated | | | | |
| Law Enforcement Management Institute Account No. 581, estimated | | 3,568,336 | | 3,819,000 |
| Estimated Statutory Tuition Increases Account No. 708 | | 724,916 | | 1,449,832 |
| Estimated Other Educational and General Income Account No. 770 | | 16,793,492 | | 16,732,383 |
| Correctional Management Institute of Texas Account No. 5083, estimated | | 1,223,938 | | 1,909,500 |
| Subtotal, General Revenue Fund - Dedicated | $ | 22,310,682 | $ | 23,910,715 |
| **Total, Method of Financing** | $ | 59,996,988 | $ | 61,642,121 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 837.8 | | 837.8 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 16,826,319 | $ | 16,963,922 |
| Other Personnel Costs | | 2,890,118 | | 3,303,458 |
| Faculty Salaries (Higher Education Only) | | 21,668,621 | | 23,201,926 |
| Operating Costs | | 13,597,119 | | 13,356,141 |

## SAM HOUSTON STATE UNIVERSITY
(Continued)

| | | |
|---|---|---|
| Client Services | 33,444 | 226,097 |
| Grants | 4,191,886 | 4,034,413 |
| Capital Expenditures | 789,481 | 556,164 |
| **Total, Object-of-Expense Informational Listing** | $ 59,996,988 | $ 61,642,121 |

1. **Center for Business and Economic Development.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Center for Business and Economic Development will generate at least $320,250 for the biennium in additional revenue to the General Revenue Fund, $160,125 is included in the appropriation above in each year of the biennium for the Center for Business and Economic Development. It is the intent of the Legislature that state funds provided to the Center for Business and Economic Development be used by the center to attract federal funds on a dollar-for-dollar basis.

## SOUTHWEST TEXAS STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 45.8% | 47.3% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 78% | 79.4% |
| Administrative Cost as a Percent of Total Expenditures | 10.8% | 10.8% |
| Certification Rate of Teacher Education Graduates | 86.3% | 86.3% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 48.4% | 48.4% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 48.6% | 49.4% |
| Dollar Value of External or Sponsored Research Funds (in Millions) | 13.3 | 13.3 |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 67,165,201 | $ 68,177,555 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 2,980,432 | $ 3,025,355 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,252,913 | $ 2,421,881 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 692,877 | $ 692,877 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 4,763,541 | $ 4,948,979 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 450,000 | $ 450,000 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 733,075 | $ 733,075 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 2,410,246 | $ 2,410,246 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 81,448,285 | $ 82,859,968 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 13,027,844 | $ 13,224,208 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 3,354,443 | $ 3,353,632 |
| **B.1.3. Strategy:** SKILES ACT REVENUE BOND RETIREMENT | $ 266,168 | $ 266,168 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 16,648,455 | $ 16,844,008 |

## SOUTHWEST TEXAS STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** GEOGRAPHY EDUCATION | $ | 44,961 | $ | 44,961 |
| Improvement of geography education. | | | | |
| **C.1.2. Strategy:** MULTI-INSTITUTIONAL TEACHING CENTER | $ | 359,685 | $ | 359,685 |
| North Austin Multi-institutional Teaching Center - operations. | | | | |
| **C.2.1. Strategy:** EDWARDS AQUIFER RESEARCH CENTER | $ | 222,250 | $ | 222,250 |
| Edwards Aquifer Research and Data Center. | | | | |
| **C.2.2. Strategy:** TEXAS LONG-TERM CARE INST | $ | 150,895 | $ | 150,895 |
| Texas Long-term Care Institute. | | | | |
| **C.2.3. Strategy:** SEMICONDUCTOR INITIATIVE | $ | 89,921 | $ | 89,921 |
| Semiconductor Manufacturing and Research Initiative. | | | | |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,287,392 | $ | 2,287,392 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 3,155,104 | $ | 3,155,104 |
| **Grand Total,** SOUTHWEST TEXAS STATE UNIVERSITY | $ | 101,251,844 | $ | 102,859,080 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 69,502,981 | $ | 69,923,476 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Board Authorized Tuition Increases Account No. 704 | | 1,900,000 | | 1,900,000 |
| Estimated Statutory Tuition Increases Account No. 708 | | 1,300,863 | | 2,601,726 |
| Estimated Other Educational and General Income Account No. 770 | | 28,548,000 | | 28,433,878 |
| Subtotal, General Revenue Fund - Dedicated | $ | 31,748,863 | $ | 32,935,604 |
| **Total, Method of Financing** | $ | 101,251,844 | $ | 102,859,080 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,733.7 | | 1,733.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 27,989,470 | $ | 28,518,007 |
| Faculty Salaries (Higher Education Only) | | 49,979,102 | | 50,714,557 |
| Operating Costs | | 20,006,197 | | 20,300,362 |
| Grants | | 3,160,867 | | 3,160,867 |
| Capital Expenditures | | 116,208 | | 165,287 |
| **Total, Object-of-Expense Informational Listing** | $ | 101,251,844 | $ | 102,859,080 |

1. **Freeman Ranch.** Out of the amounts appropriated above in informational item A.1.7, Organized Activities, $118,274 in each year of the biennium shall be used for the Freeman Ranch.

## SUL ROSS STATE UNIVERSITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years | 21% | 22% |
| Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year | 60% | 60% |
| Administrative Cost as a Percent of Total Expenditures | 14.2% | 14.2% |
| Certification Rate of Teacher Education Graduates | 84% | 84% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | 65% | 65% |
| Percent of Lower Division Courses Taught by Tenured Faculty | 52% | 52% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ 5,339,946 | $ 5,403,610 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ 244,049 | $ 246,959 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 227,741 | $ 244,822 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 120,374 | $ 120,374 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 329,430 | $ 342,597 |
| **A.1.6. Strategy:** INDIRECT COST RECOVERY | $ 20,591 | $ 20,591 |
| Indirect cost recovery for research related activities. | | |
| **A.1.7. Strategy:** ORGANIZED ACTIVITIES | $ 125,576 | $ 125,576 |
| **A.1.8. Strategy:** EXCELLENCE FUNDING | $ 272,288 | $ 272,288 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 6,679,995 | $ 6,776,817 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 2,518,726 | $ 2,548,755 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,723,735 | $ 2,720,764 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 5,242,461 | $ 5,269,519 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.2.1. Strategy:** CHIHUAHUAN DESERT RESEARCH | $ 35,163 | $ 35,163 |
| **C.2.2. Strategy:** CENTER FOR BIG BEND STUDIES | $ 199,714 | $ 199,714 |
| **C.3.1. Strategy:** SUL ROSS MUSEUM | $ 129,102 | $ 129,102 |
| Sul Ross State University Museum. | | |
| **C.3.2. Strategy:** BIG BEND SMALL BUSINESS DEVT CENTER | $ 78,775 | $ 78,775 |
| Big Bend Region Minority and Small Business Development Center. | | |
| **C.3.3. Strategy:** CRIMINAL JUSTICE ACADEMY | $ 84,684 | $ 84,684 |
| **C.3.4. Strategy:** BIG BEND ARCHIVES | $ 112,402 | $ 112,402 |
| Archives of the Big Bend. | | |
| **C.3.5. Strategy:** RURAL HISPANIC LEADERSHIP | $ 89,921 | $ 89,921 |
| **C.3.6. Strategy:** MUSEUM OF THE BIG BEND | $ 44,961 | $ 44,961 |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 3,626,193 | $ 3,626,193 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ 4,400,915 | $ 4,400,915 |
| **Grand Total,** SUL ROSS STATE UNIVERSITY | $ 16,323,371 | $ 16,447,251 |

**Method of Financing:**

## SUL ROSS STATE UNIVERSITY
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 13,972,597 | $ | 14,009,177 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 101,038 | | 202,075 |
| Estimated Other Educational and General Income Account No. 770 | | 2,249,736 | | 2,235,999 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,350,774 | $ | 2,438,074 |
| **Total, Method of Financing** | $ | 16,323,371 | $ | 16,447,251 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 323.9 | | 323.9 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 5,033,283 | $ | 5,288,146 |
| Other Personnel Costs | | 173,022 | | 176,342 |
| Faculty Salaries (Higher Education Only) | | 4,165,472 | | 4,212,006 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 160,754 | | 169,951 |
| Operating Costs | | 6,260,552 | | 6,034,421 |
| Client Services | | 408,560 | | 446,005 |
| Grants | | 120,379 | | 120,380 |
| Capital Expenditures | | 1,349 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 16,323,371 | $ | 16,447,251 |

## SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Administrative Cost as a Percent of Total Expenditures | | 10.6% | | 10.6% |
| Certification Rate of Teacher Education Graduates | | 65% | | 65% |
| Percent of Baccalaureate Graduates Who Are First Generation College Graduates | | 65% | | 65% |
| Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years | | 82.1 | | 82.1 |
| Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only) | | 88.1% | | 88.1% |
| **A.1.1. Strategy:** OPERATIONS SUPPORT | $ | 2,253,644 | $ | 2,285,687 |
| **A.1.2. Strategy:** TEACHING EXPERIENCE SUPPLEMENT | $ | 91,764 | $ | 93,069 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 28,454 | $ | 30,588 |
| **A.1.4. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 114,455 | $ | 114,455 |
| **A.1.5. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 141,538 | $ | 147,691 |
| **A.1.6. Strategy:** EXCELLENCE FUNDING | $ | 44,391 | $ | 44,391 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 2,674,246 | $ | 2,715,881 |

## SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** INFRASTRUCTURE SUPPORT | | | | |
| Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 701,863 | $ | 711,842 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** LEASE OF FACILITIES | $ | 234,327 | $ | 234,327 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 936,190 | $ | 946,169 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.3.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 98,767 | $ | 98,767 |
| **C.3.2. Strategy:** DOLPH BRISCOE INSTITUTE | $ | 44,961 | $ | 44,961 |
| Dolph Briscoe Institute for Local Government. | | | | |
| **C.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 2,189,654 | $ | 2,189,654 |
| **Total, Goal C:** SPECIAL ITEM SUPPORT | $ | 2,333,382 | $ | 2,333,382 |
| **Grand Total,** SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE | $ | 5,943,818 | $ | 5,995,432 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 4,989,092 | $ | 5,000,423 |
| General Revenue Fund - Dedicated | | | | |
| Estimated Statutory Tuition Increases Account No. 708 | | 44,599 | | 89,197 |
| Estimated Other Educational and General Income Account No. 770 | | 910,127 | | 905,812 |
| Subtotal, General Revenue Fund - Dedicated | $ | 954,726 | $ | 995,009 |
| **Total, Method of Financing** | $ | 5,943,818 | $ | 5,995,432 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 88.6 | | 88.6 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,149,907 | $ | 1,490,525 |
| Other Personnel Costs | | 127,344 | | 139,492 |
| Faculty Salaries (Higher Education Only) | | 1,703,563 | | 1,589,242 |
| Operating Costs | | 2,844,951 | | 2,661,717 |
| Grants | | 114,456 | | 114,456 |
| Capital Expenditures | | 3,597 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 5,943,818 | $ | 5,995,432 |

## THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 98% | 98% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 50% | 50% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 23% | 23% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 91% | 91% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 95% | 95% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 5.18% | 5.18% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 39,137,582 | $ 39,137,582 |
| **Output (Volume):** | | |
| Number of Combined MD/PhD Graduates | 10 | 10 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 15% | 15% |
| Minority MD Admissions as a Percent of Total MD Admissions | 17% | 17% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | 10% | 10% |
| **A.1.2. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 5,326,093 | $ 5,326,093 |
| Graduate training in biomedical sciences. | | |
| **A.1.3. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 4,219,435 | $ 4,219,435 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,530,472 | $ 2,530,472 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 289,300 | $ 263,600 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 43,600 | $ 43,600 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 974,400 | $ 979,700 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ 96,100 | $ 96,100 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 52,616,982 | $ 52,596,582 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 246,412,617 | 253,756,994 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 5,526,861 | $ 5,526,861 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ 29,957,642 | $ 31,227,478 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ 35,484,503 | $ 36,754,339 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ 21,176,674 | $ 21,176,674 |
| Educational and general space support. | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 5,078,544 | $ 5,077,916 |
| **C.2.2. Strategy:** DEBT SVC- NORTH CAMPUS EXPANSION | $ 12,486,500 | $ 12,486,500 |
| Debt service - North Campus expansion. | | |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ 38,741,718 | $ 38,741,090 |
| **D. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | |
| **D.2.1. Strategy:** PRIMARY CARE RESIDENCY TRAINING | $ 971,959 | $ 971,959 |
| Primary care residency training program. | | |

| | | | | |
|---|---|---|---|---|
| **D.4.1. Strategy:** REGIONAL BURN CARE CENTER | $ | 90,894 | $ | 93,101 |
| **D.5.1. Strategy:** SCIENCE TEACHER ACCESS TO RESOURCES | $ | 531,404 | $ | 543,503 |
| Program for Science Teacher Access to Resources (STARS). | | | | |
| **Output (Volume):** | | | | |
| Number of High School and Middle School Teachers Completing a STARS Program | | 965 | | 975 |
| **D.5.2. Strategy:** INNOVATIONS IN MEDICAL TECHNOLOGY | $ | 7,875,000 | $ | 7,875,000 |
| Institute for Innovations in Medical Technology. | | | | |
| **D.6.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 7,574,438 | $ | 7,574,437 |
| **Total, Goal D:** PROVIDE SPECIAL ITEM SUPPORT | $ | 17,043,695 | $ | 17,058,000 |
| **Grand Total,** THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS | $ | 143,886,898 | $ | 145,150,011 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 92,412,470 | $ | 92,390,612 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 51,474,428 | | 52,759,399 |
| **Total, Method of Financing** | $ | 143,886,898 | $ | 145,150,011 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,696.5 | | 1,696.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 34,721,742 | $ | 36,056,597 |
| Other Personnel Costs | | 1,581,128 | | 1,549,763 |
| Faculty Salaries (Higher Education Only) | | 31,313,345 | | 31,272,621 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 90,480 | | 98,969 |
| Operating Costs | | 42,134,444 | | 41,313,782 |
| Grants | | 34,045,759 | | 34,858,279 |
| **Total, Object-of-Expense Informational Listing** | $ | 143,886,898 | $ | 145,150,011 |

1. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Southwestern Medical Center at Dallas also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $4,329,000 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

## THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 90% | 90% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 50% | 50% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 28% | 28% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 93% | 93% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 95% | 95% |
| Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas | 95% | 95% |
| Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas | 95% | 95% |
| Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas | 90% | 90% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 3.08% | 3.08% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 49,198,055 | $ 49,198,255 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 23% | 23% |
| Minority MD Admissions as a Percent of Total MD Admissions | 25% | 25% |
| **A.1.2. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 4,122,287 | $ 4,122,304 |
| Graduate training in biomedical sciences. | | |
| **A.1.3. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 5,496,884 | $ 5,496,907 |
| **A.1.4. Strategy:** NURSING EDUCATION | $ 6,647,428 | $ 6,647,455 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 21,972,561 | $ 21,972,561 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 1,226,415 | $ 1,226,415 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 418,776 | $ 418,776 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,108,073 | $ 1,119,153 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ 126,637 | $ 127,903 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 90,317,116 | $ 90,329,729 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 89,500,000 | 89,500,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 3,097,777 | $ 3,097,777 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ 14,256,231 | $ 14,262,508 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ 17,354,008 | $ 17,360,285 |
| **C. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ 19,510,345 | $ 19,510,424 |
| Educational and general space support. | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 2,311,256 | $ 2,311,374 |
| **C.2.2. Strategy:** CAPITAL PROJECTS | $ 21,259,024 | $ 21,259,024 |
| **Total, Goal C:** INFRASTRUCTURE SUPPORT | $ 43,080,625 | $ 43,080,822 |

## THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

| | | | | |
|---|---|---|---|---|
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Medical Residency Completers Practicing in Texas | | 50% | | 50% |
| Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities | | 201,703,000 | | 211,789,000 |
| Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities | | 635,033,000 | | 666,785,000 |
| **D.1.1. Strategy:** MEDICAL BRANCH HOSPITALS | $ | 323,372,688 | $ | 323,207,393 |
| **Output (Volume):** | | | | |
| Total Number of Outpatient Visits | | 811,093 | | 811,093 |
| Total Number of Inpatient Days | | 185,958 | | 185,958 |
| **Explanatory:** | | | | |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | | 18% | | 18% |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** HYPERBARIC TREATMENT AND RESEARCH | $ | 87,500 | $ | 87,500 |
| **E.2.1. Strategy:** CHRONIC HOME DIALYSIS CENTER | $ | 1,984,569 | $ | 1,982,581 |
| **E.2.2. Strategy:** PRIMARY CARE PHYSICIAN SERVICES | $ | 6,357,393 | $ | 6,352,562 |
| **E.2.3. Strategy:** EAST TEXAS HEALTH EDUCATION CENTERS | $ | 2,030,031 | $ | 2,028,989 |
| East Texas Area Health Education Centers. | | | | |
| **E.2.4. Strategy:** SUPPORT FOR INDIGENT CARE | $ | 3,500,000 | $ | 3,500,000 |
| **E.3.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 16,835,556 | $ | 16,835,555 |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 30,795,049 | $ | 30,787,187 |
| **Grand Total,** THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON | $ | 504,919,486 | $ | 504,765,416 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 210,462,828 | $ | 210,233,092 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 23,673,766 | | 23,749,432 |
| Other Funds | | | | |
| Interagency Contracts | | 10,000,000 | | 10,000,000 |
| Health-Related Institutions Patient Income, estimated | | 260,782,892 | | 260,782,892 |
| Subtotal, Other Funds | $ | 270,782,892 | $ | 270,782,892 |
| **Total, Method of Financing** | $ | 504,919,486 | $ | 504,765,416 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 5,850.5 | | 5,850.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 229,001,056 | $ | 242,009,725 |
| Other Personnel Costs | | 7,818,992 | | 7,056,766 |
| Faculty Salaries (Higher Education Only) | | 32,615,565 | | 33,066,230 |
| Operating Costs | | 235,483,873 | | 222,632,695 |
| **Total, Object-of-Expense Informational Listing** | $ | 504,919,486 | $ | 504,765,416 |

## THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

1. **Appropriation of Charges and Fees.** There is hereby appropriated to The University of Texas Medical Branch at Galveston all charges and fees collected for the general expenses of the medical branch hospitals, including maintenance, support, and salaries of employees for the fiscal years ending August 31, 2004 and 2005.

2. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected by hospitals, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the hospitals and may utilize up to $5 million per annum of local income to match any gift made to endowments provided, however, such match will not result in any reduction in the level of services for patients or any requirement for general revenue replacement. Any project initiated under this authorization shall not be structured in such a manner that will require future specific appropriation of general revenue. Provided, however, that this provision shall not be construed so as to authorize, without the prior and specific approval of the Legislature, the acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

3. **Helicopter Operation.** The University of Texas Medical Branch at Galveston is authorized to lease and operate a helicopter for the purpose of transporting critically ill or emergency patients to the medical branch hospitals. No state funds are to be used for the operation of this helicopter, except where the patient served is indigent or through an interagency contract with another state agency, or unless costs are reimbursed from insurance proceeds.

4. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Medical Branch at Galveston shall transfer from non-Medicaid state appropriated funds $77,593,922 in fiscal year 2004 and $77,593,922 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

5. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.

6. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Medical Branch at Galveston also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $3,037,365 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

7. **Support of Student and Resident Training Programs.** The University of Texas Medical Branch at Galveston may spend any revenue appropriated to the institution by this Act or from other available funds for the support and development of student and resident training programs in Austin, including the payment of compensation, travel costs, costs for leased premises, and other operating expenses.

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 91% | 91% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 50% | 50% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 35% | 35% |
| Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry | 10% | 10% |
| Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 96% | 96% |
| Percent of Dental School Graduates Who Are Licensed in Texas | 90% | 90% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 96% | 96% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 98% | 98% |
| Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas | 95% | 95% |
| Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas | 92% | 92% |
| Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas | 66% | 66% |
| Percent of Public Health School Graduates Who Are Employed in Texas | 75% | 75% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 7% | 7% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 38,139,045 | $ 38,140,123 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 20% | 20% |
| Minority MD Admissions as a Percent of Total MD Admissions | 15% | 15% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | 23% | 23% |
| **A.1.2. Strategy:** DENTAL EDUCATION | $ 19,254,380 | $ 19,254,925 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total Dental School Admissions | 15% | 15% |
| **A.1.3. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 5,170,157 | $ 5,170,303 |
| Graduate training in biomedical sciences. | | |
| **A.1.4. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 2,233,146 | $ 2,233,210 |
| **A.1.5. Strategy:** NURSING EDUCATION | $ 7,695,770 | $ 7,695,987 |
| **A.1.6. Strategy:** GRADUATE TRAINING IN PUBLIC HEALTH | $ 11,408,600 | $ 11,408,922 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,757,622 | $ 2,757,622 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 554,608 | $ 554,608 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 54,072 | $ 54,072 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 1,269,031 | $ 1,291,712 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ 125,710 | $ 127,957 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 88,662,141 | $ 88,689,441 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 133,843,000 | 142,847,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 3,783,693 | $ 3,783,693 |

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ | 18,795,359 | $ | 19,633,158 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ | 22,579,052 | $ | 23,416,851 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ | 17,612,784 | $ | 17,613,282 |
| Educational and general space support. | | | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 3,612,642 | $ | 3,612,794 |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ | 21,225,426 | $ | 21,226,076 |
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | | | |
| **Outcome (Results/Impact):** | | | | |
| Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities | | 30,473,397 | | 30,786,293 |
| Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities | | 17,946,908 | | 18,440,173 |
| **D.1.1. Strategy:** DENTAL CLINIC OPERATIONS | $ | 4,207,660 | $ | 4,417,774 |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** HEART DISEASE/STROKE RESEARCH | $ | 2,625,000 | $ | 2,625,000 |
| Heart disease and stroke research. | | | | |
| **E.1.2. Strategy:** BIOTECHNOLOGY PROGRAM | $ | 875,000 | $ | 875,000 |
| **E.2.1. Strategy:** HARRIS COUNTY HOSPITAL DISTRICT | $ | 3,801,583 | $ | 3,806,842 |
| **E.2.2. Strategy:** SERVICE DELIVERY VALLEY/BORDER | $ | 495,797 | $ | 495,466 |
| Service delivery in the Valley/Border region. | | | | |
| **E.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 9,933,337 | $ | 9,933,337 |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 17,730,717 | $ | 17,735,645 |
| **Grand Total,** THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON | $ | 154,404,996 | $ | 155,485,787 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 121,656,635 | $ | 121,709,209 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 29,800,962 | | 30,821,375 |
| Health-Related Institutions Patient Income, estimated | | 2,947,399 | | 2,955,203 |
| **Total, Method of Financing** | $ | 154,404,996 | $ | 155,485,787 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,887.4 | | 1,887.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 55,916,196 | $ | 59,014,440 |
| Other Personnel Costs | | 2,614,604 | | 2,379,244 |
| Faculty Salaries (Higher Education Only) | | 57,666,032 | | 54,976,113 |
| Operating Costs | | 36,374,032 | | 37,569,752 |
| Grants | | 1,834,132 | | 1,546,238 |
| **Total, Object-of-Expense Informational Listing** | $ | 154,404,996 | $ | 155,485,787 |

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

1. **Texas Heart Institute.** Out of the funds appropriated above, The University of Texas Health Sciences Center at Houston shall allocate up to $894,133 in each year of the 2004–05 biennium to the Texas Heart Institute for gene therapy and up to $399,086 in each year of the 2004–05 biennium to the Texas Heart Institute for cardiovascular research.

2. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Science Center at Houston also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,837,655 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 93% | 93% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 54% | 54% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 30% | 30% |
| Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry | 26% | 26% |
| Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 94% | 94% |
| Percent of Dental School Graduates Who Are Licensed in Texas | 87% | 87% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 95% | 95% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 95% | 95% |
| Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas | 91% | 91% |
| Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas | 96% | 96% |
| Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas | 85% | 85% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 5.58% | 5.58% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 38,349,798 | $ 38,349,769 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 31% | 32% |
| Minority MD Admissions as a Percent of Total MD Admissions | 18% | 18% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | 18% | 18% |
| **A.1.2. Strategy:** DENTAL EDUCATION | $ 18,425,872 | $ 18,425,858 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total Dental School Admissions | 17% | 17% |
| **A.1.3. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 2,965,175 | $ 2,965,172 |
| Graduate training in biomedical sciences. | | |
| **A.1.4. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 5,500,486 | $ 5,500,481 |
| **A.1.5. Strategy:** NURSING EDUCATION | $ 6,266,383 | $ 6,266,378 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 3,340,556 | $ 3,340,556 |

| | | | | |
|---|---|---|---|---|
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 324,680 | $ | 324,680 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 147,824 | $ | 147,824 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 1,348,126 | $ | 1,348,126 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ | 152,000 | $ | 152,000 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 76,820,900 | $ | 76,820,844 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | | | |
| **Outcome (Results/Impact):** | | | | |
| Total External Research Expenditures | | 97,493,000 | | 102,493,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ | 3,218,967 | $ | 3,218,967 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ | 10,677,804 | $ | 10,675,915 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ | 13,896,771 | $ | 13,894,882 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ | 15,076,142 | $ | 15,076,131 |
| Educational and general space support. | | | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 5,705,092 | $ | 5,705,249 |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ | 20,781,234 | $ | 20,781,380 |
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | | | |
| **D.1.1. Strategy:** DENTAL CLINIC OPERATIONS | $ | 2,858,681 | $ | 3,015,612 |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** SOUTH TEXAS PROFESSIONAL EDUCATION | $ | 6,562,500 | $ | 5,818,750 |
| South Texas Border Region health professional education. | | | | |
| **Output (Volume):** | | | | |
| Number of Certificate, Associate, and Baccalaureate Degree Students Participating in Programs in South Texas Area | | 2,441 | | 2,441 |
| Number of Medical and Dental Students and Postbaccalaureate Allied Health, Nursing, and Graduate Students Participating in Programs in South Texas Area | | 16,606 | | 16,606 |
| Number of Resident Physicians and Dentists Participating in Programs in South Texas Area | | 237 | | 237 |
| **E.1.2. Strategy:** REGIONAL ACADEMIC HLTH CTR-MEDICAL | $ | 1,312,500 | $ | 1,312,500 |
| Regional Academic Health Center - Medical. | | | | |
| **E.1.3. Strategy:** LAREDO EXTENSION CAMPUS | $ | 437,500 | $ | 437,500 |
| **E.1.4. Strategy:** OUTREACH SUPPORT-SOUTH TX PROGRAMS | $ | 1,750,000 | $ | 1,750,000 |
| Institutional support for South Texas programs. | | | | |
| **E.2.1. Strategy:** FAMILY PRACTICE RESIDENCY TRAINING | $ | 565,170 | $ | 565,185 |
| Family practice residency training program. | | | | |
| **E.2.2. Strategy:** PODIATRY RESIDENCY TRAINING | $ | 177,270 | $ | 177,276 |
| Podiatry residency training program. | | | | |
| **E.3.1. Strategy:** MYCOBACTERIAL-MYCOLOGY RESEARCH LAB | $ | 192,006 | $ | 192,006 |
| **E.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 8,998,811 | $ | 8,998,811 |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 19,995,757 | $ | 19,252,028 |
| **Grand Total,** THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO | $ | 134,353,343 | $ | 133,764,746 |

**Method of Financing:**

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 111,926,923 | $ | 111,261,807 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 21,542,848 | | 21,620,447 |
| Health-Related Institutions Patient Income, estimated | | 883,572 | | 882,492 |
| **Total, Method of Financing** | $ | 134,353,343 | $ | 133,764,746 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 2,253.7 | | 2,253.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 42,210,501 | $ | 42,428,760 |
| Other Personnel Costs | | 7,521,710 | | 7,617,393 |
| Faculty Salaries (Higher Education Only) | | 44,857,790 | | 46,247,939 |
| Operating Costs | | 38,612,926 | | 37,207,974 |
| Grants | | 1,150,416 | | 262,680 |
| **Total, Object-of-Expense Informational Listing** | $ | 134,353,343 | $ | 133,764,746 |

1. **South Texas/Border Region Health Professional Education.** Out of funds appropriated above to The University of Texas Health Science Center at San Antonio in Strategy E.1.1, South Texas Professional Education, the institution shall allocate up to $6,562,500 for the fiscal year ending August 31, 2004, and up to $5,818,750 for the fiscal year ending August 31, 2005, for the purpose of expanding graduate medical education, including family practice resident training programs, and other health professional education in the South Texas/Border Region.

   a. Of the funds appropriated for this purpose up to $2,625,000 for the fiscal year ending August 31, 2004, and up to $2,406,250 for the fiscal year ending August 31, 2005, shall be used by the institution for the Lower Rio Grande Valley in Cameron, Hidalgo, Starr, and Willacy Counties, to plan, initiate, and expand residency programs in pediatrics, psychiatry, family practice, obstetrics-gynecology, and internal medicine as appropriate; develop training programs in dentistry, nursing, and allied health; enhance existing clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources development.

   b. Of the funds appropriated for this purpose up to $1,750,000 for the fiscal year ending August 31, 2004, and up to $1,487,500 for the fiscal year ending August 31, 2005, shall be used in the Middle Rio Grande Border Area, to be established in Webb County but to serve Zapata, Jim Hogg, Duval, McMullen, La Salle, Dimmit, and Maverick Counties, to plan, initiate, and expand programs in primary care residencies, and allied health, nursing, and dentistry; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources.

   c. Of the funds appropriated for this purpose up to $1,531,250 for the fiscal year ending August 31, 2004, and up to $1,312,500 for the fiscal year ending August 31, 2005, shall be used in Corpus Christi and the Coastal Bend Area to develop or expand, among other things, undergraduate clinical programs, primary care residency programs, allied health programs, medical library resources, and faculty development.

   d. Of the funds appropriated for this purpose up to $568,750 for the fiscal year ending August 31, 2004, and up to $525,000 for the fiscal year ending August 31, 2005, shall be used in the Winter Garden Region in Edwards, Kinney, Maverick, Uvalde, Val Verde and Zavala Counties to plan, initiate, and expand programs in allied health and nursing; enhance clinical training sites; develop community resources and seek private support to

supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library distance learning and telehealth resources.

e. Of the funds appropriated for this purpose up to $87,500 for the fiscal year ending August 31, 2004, and up to $87,500 for the fiscal year ending August 31, 2005, shall be used in the South Central Texas Region to be established in Bexar County but to serve Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson Counties to plan, initiate, and expand programs in allied health, nursing, and undergraduate medical or dental education; provide health career opportunity programs to appropriate grade students; enhance community-based clinical training sites; develop community-based faculty; and initiate appropriate medical library distance learning and telehealth resources.

f. None of the funds appropriated according to this provision shall be used by The University of Texas Health Science Center at San Antonio (UTHSCSA) for the purpose of providing administrative support to the educational programs in the regions specified by parts a, b, c, d, or e of this provision. In addition, none of the funds identified by this provision shall be used on the campus of UTHSCSA for administrative purposes.

g. Any unexpended balances remaining in the appropriations identified in parts a, b, c, d, or e of this provision from the fiscal year ending August 31, 2004, are appropriated to The University of Texas Health Science Center at San Antonio for their original purposes and shall be used with funds appropriated by this provision for the fiscal year ending August 31, 2005, to continue to expand health professional programs and medical residency programs named in the previous subsections; provide needed support for direct medical education involving the Lower Rio Grande Valley, the Middle Rio Grande Area, the Corpus Christi/Coastal Bend Area, and the Winter Garden Region; and continue any needed infrastructure development. Hospital and clinic facilities for teaching and training purposes will be provided and maintained at no expense to the state.

h. A report by The University of Texas Health Science Center at San Antonio shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

2. **Nursing and Medical Technology Program.** It is the intent of the Legislature that The University of Texas Health Science Center at San Antonio continue to assist Sul Ross State University Rio Grande College with the baccalaureate degree program in nursing from funds appropriated above, and that it further work with both Sul Ross State University and Southwest Texas Junior College in establishing a baccalaureate degree program in medical technology. From funds appropriated above, The University of Texas Health Science Center at San Antonio shall allocate up to $100,000 in each year of the 2004–05 biennium shall be expended for the medical technology program.

3. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Science Center at San Antonio also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $10,571,220 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

4. **Unexpended Balances Between Fiscal Years: Regional Academic Health Center (RAHC).** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy

E.1.2, Regional Academic Health Center-Medical, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.

5. **Unexpended Balances Between Fiscal Years: Laredo Extension Campus.** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy E.1.3, Laredo Extension Campus, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.

## THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 100% | 100% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 90% | 90% |
| **A.1.1. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 6,120,101 | $ 6,663,369 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 51,998,941 | $ 51,998,941 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 1,772,865 | $ 1,794,300 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 1,633,352 | $ 1,653,100 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 61,525,259 | $ 62,109,710 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 202,177,000 | 220,787,035 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 5,302,221 | $ 5,302,221 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ 46,657,430 | $ 53,302,414 |
| **B.1.3. Strategy:** SCIENCE PARK OPERATIONS | $ 4,741,722 | $ 4,739,728 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ 56,701,373 | $ 63,344,363 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ 60,629,658 | $ 66,011,629 |
| Educational and general space support. | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 1,887,859 | $ 1,887,859 |
| **C.2.2. Strategy:** LONG-TERM CAPITAL PROGRAM | $ 50,000,000 | $ 50,000,000 |
| **C.2.3. Strategy:** LONG-TERM CAPITAL EQUIPMENT | $ 35,000,000 | $ 35,000,000 |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ 147,517,517 | $ 152,899,488 |
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical Residency Completers Practicing in Texas | 39% | 39% |
| Total Gross Charges for Unsponsored Charity Care Provided in State-owned Facilities | 131,268,000 | 139,144,000 |
| Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities | 1,587,694,000 | 1,737,363,000 |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 7.65% | 7.65% |

## THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

| | | | | |
|---|---|---|---|---|
| **D.1.1. Strategy:** PATIENT CARE ACTIVITIES | $ | 817,029,610 | $ | 914,330,220 |
| **Output (Volume):** | | | | |
| Total Number of Outpatient Visits | | 528,035 | | 558,661 |
| Total Number of Inpatient Days | | 146,003 | | 151,259 |
| **Explanatory:** | | | | |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | | 12% | | 12% |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** RESEARCH SUPPORT | $ | 1,750,000 | $ | 1,750,000 |
| **E.2.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 11,124,244 | $ | 11,124,244 |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 12,874,244 | $ | 12,874,244 |
| **Grand Total,** THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER | $ | 1,095,648,003 | $ | 1,205,558,025 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 135,540,043 | $ | 135,421,656 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 59,902,868 | | 64,854,789 |
| Health-Related Institutions Patient Income, estimated | | 900,205,092 | | 1,005,281,580 |
| **Total, Method of Financing** | $ | 1,095,648,003 | $ | 1,205,558,025 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 9,350.7 | | 9,749.9 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 437,056,005 | $ | 482,572,849 |
| Other Personnel Costs | | 1,784,389 | | 1,784,389 |
| Faculty Salaries (Higher Education Only) | | 69,353,677 | | 72,363,914 |
| Operating Costs | | 493,415,945 | | 556,805,527 |
| Grants | | 94,037,987 | | 92,031,346 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,095,648,003 | $ | 1,205,558,025 |

1. **Special Project Funding.** Notwithstanding other provisions of this article, the Board of Regents of The University of Texas System is hereby authorized, subject to approval by the Texas Higher Education Coordinating Board: (1) to expend such amounts of its Permanent University Fund bond proceeds and/or other bond proceeds and such amounts of its other available moneys as may be necessary to fund the following project either in whole or in part; (2) to accept gifts, grants, and matching grants to fund such project either in whole or in part; and (3) to acquire, construct, alter, add to, repair, rehabilitate, equip and/or furnish such project for The University of Texas M. D. Anderson Cancer Center: (a) replacement research facilities; and (b) ambulatory patient care facilities.

2. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas M. D. Anderson Cancer Center shall transfer from non-Medicaid state appropriated funds $103,002,225 in fiscal year 2004 and $103,002,225 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The transfers, however, shall be made not less frequently than monthly.

## THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

3. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas M. D. Anderson Cancer Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $6,156,270 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

4. **Animal Facilities and Programs.** The animal facilities and programs of the Department of Veterinary Sciences at The University of Texas M. D. Anderson Cancer Center (UTMDACC) - Bastrop shall be regulated and inspected by the United States Department of Agriculture, Animal and Plant Health Inspection Services, pursuant to the Federal Animal Welfare Act. The UTMDACC - Bastrop Department of Veterinary Sciences shall comply with the regulations and is under the oversight of the United States Public Health Service/National Institutes of Health Office of Laboratory Animal Welfare. The UTMDACC - Bastrop Department of Veterinary Sciences shall be independently accredited for animal care programs and facilities by the Council on Accreditation of the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC International). The Department shall be accredited by this body. It shall also be inspected regularly and its programs reviewed biannually by the UTMDACC Institutional Animal Care and Use Committee.

## THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **A.1.1. Strategy:** MEDICAL EDUCATION & RESEARCH ITEMS | $ 1,583,750 | $ 1,583,750 |
| Medical education, benefits for TDH physicians, infectious disease control, occupational/env health research. | | |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 2,951,021 | $ 2,951,021 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 264,515 | $ 237,498 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 92,890 | $ 92,876 |
| **Total, Goal A:** PROVIDE INSTRUCTION/OPERATIONS | $ 4,892,176 | $ 4,865,145 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 4,100,000 | 4,100,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 1,583,244 | $ 1,583,244 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ 399,442 | $ 441,848 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ 1,982,686 | $ 2,025,092 |
| **C. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ 2,231,523 | $ 2,245,593 |
| Educational and general space support. | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 1,086,769 | $ 1,086,769 |
| **Total, Goal C:** INFRASTRUCTURE SUPPORT | $ 3,318,292 | $ 3,332,362 |
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | |

## THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Percent of Medical Residency Completers Practicing in Texas | | 90% | | 90% |
| Total Gross Charges for Unsponsored Charity Care Provided in State-owned Facilities | | 19,259,895 | | 19,259,895 |
| Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities | | 102,334,163 | | 102,334,163 |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | | 5.85% | | 5.85% |
| **D.1.1. Strategy:** PATIENT CARE ACTIVITIES | $ | 61,324,480 | $ | 62,207,530 |
| **Output (Volume):** | | | | |
| Total Number of Outpatient Visits | | 107,287 | | 107,287 |
| Total Number of Inpatient Days | | 29,021 | | 29,021 |
| **Explanatory:** | | | | |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | | 10% | | 10% |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** NORTHEAST TEXAS INITIATIVE | $ | 4,375,000 | $ | 4,375,000 |
| **E.2.1. Strategy:** FAMILY PRACTICE RESIDENCY TRAINING | $ | 1,203,034 | $ | 1,202,507 |
| Family practice residency training program. | | | | |
| **E.3.1. Strategy:** SUPPORT FOR INDIGENT CARE | $ | 1,312,500 | $ | 1,312,500 |
| **E.4.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,269,296 | $ | 3,269,296 |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 10,159,830 | $ | 10,159,303 |
| **Grand Total,** THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER | $ | 81,677,464 | $ | 82,589,432 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 32,304,266 | $ | 32,285,811 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 815,867 | | 831,242 |
| Health-Related Institutions Patient Income, estimated | | 48,557,331 | | 49,472,379 |
| **Total, Method of Financing** | $ | 81,677,464 | $ | 82,589,432 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,029.7 | | 1,029.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 29,507,026 | $ | 32,921,549 |
| Other Personnel Costs | | 1,258,169 | | 1,493,539 |
| Faculty Salaries (Higher Education Only) | | 7,760,294 | | 9,206,707 |
| Operating Costs | | 31,875,690 | | 37,117,872 |
| Grants | | 11,276,285 | | 1,849,765 |
| **Total, Object-of-Expense Informational Listing** | $ | 81,677,464 | $ | 82,589,432 |

1. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected from pay patients of the center, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the center; provided, however, that this provision should not be construed so as to authorize, without prior and specific approval of the Legislature, acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

2. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Health Center at Tyler shall transfer from non-Medicaid state appropriated funds $23,824,163 in fiscal

year 2004 and $23,824,163 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

3. **Informational Rider – Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Center at Tyler also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,288,689 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

## TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 93% | 93% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 60% | 60% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 33% | 33% |
| Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry | 15% | 15% |
| Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 93% | 93% |
| Percent of Dental School Graduates Who Are Licensed in Texas | 80% | 80% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 94% | 94% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 90% | 90% |
| Percent of Rural Public Health School Graduates Who Are Employed in Texas | 50% | 50% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 10% | 10% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 15,789,215 | $ 15,790,771 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 14% | 14% |
| Minority MD Admissions as a Percent of Total MD Admissions | 7% | 7% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | 14% | 14% |
| **A.1.2. Strategy:** DENTAL EDUCATION | $ 20,156,740 | $ 20,158,725 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total Dental School Admissions | 12% | 12% |
| **A.1.3. Strategy:** DENTAL HYGIENE EDUCATION | $ 735,525 | $ 735,598 |
| **A.1.4. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 2,006,642 | $ 2,006,840 |
| Graduate training in biomedical sciences. | | |
| **A.1.5. Strategy:** RURAL PUBLIC HEALTH TRAINING | $ 3,148,499 | $ 3,148,809 |
| Graduate training in rural public health. | | |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 1,438,357 | $ 1,438,357 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 94,175 | $ 94,266 |

## TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 48,418 | $ | 48,497 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 551,156 | $ | 551,156 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ | 35,000 | $ | 35,000 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 44,003,727 | $ | 44,008,019 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | | | |
| **Outcome (Results/Impact):** | | | | |
| Total External Research Expenditures | | 22,000,000 | | 22,000,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ | 2,103,138 | $ | 2,103,138 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ | 1,696,079 | $ | 1,696,079 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ | 3,799,217 | $ | 3,799,217 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ | 4,830,341 | $ | 4,830,816 |
| Educational and general space support. | | | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 1,879,993 | $ | 1,881,989 |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ | 6,710,334 | $ | 6,712,805 |
| **D. Goal:** PROVIDE HEALTH CARE SUPPORT | | | | |
| **D.1.1. Strategy:** DENTAL CLINIC OPERATIONS | $ | 2,011,643 | $ | 2,041,795 |
| **E. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **E.1.1. Strategy:** COASTAL BEND HEALTH EDUCATION CTR | $ | 2,684,798 | $ | 1,317,043 & UB |
| Coastal Bend Health Education Center. | | | | |
| **E.1.2. Strategy:** S. TEXAS RURAL PUBLIC HEALTH CTR | $ | 875,000 | $ | 875,000 |
| South Texas Center for Rural Public Health. | | | | |
| **E.2.1. Strategy:** MULTICAMPUS INSTIT ENHANCEMENT | $ | 5,960,914 | $ | 5,960,913 |
| Multicampus (2) institutional enhancement. | | | | |
| **Total, Goal E:** PROVIDE SPECIAL ITEM SUPPORT | $ | 9,520,712 | $ | 8,152,956 |
| **Grand Total,** TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER | $ | 66,045,633 | $ | 64,714,792 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 57,450,724 | $ | 56,084,916 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 5,925,462 | | 5,925,462 |
| Health-Related Institutions Patient Income, estimated | | 2,669,447 | | 2,704,414 |
| **Total, Method of Financing** | $ | 66,045,633 | $ | 64,714,792 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 834.4 | | 834.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 23,699,985 | $ | 21,946,925 |
| Other Personnel Costs | | 1,211,290 | | 1,024,083 |
| Faculty Salaries (Higher Education Only) | | 15,723,241 | | 16,476,821 |

## TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

| | | |
|---|---|---|
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 1,534,616 | 1,038,797 |
| Operating Costs | 22,462,525 | 22,507,343 |
| Grants | 1,413,976 | 1,720,823 |
| **Total, Object-of-Expense Informational Listing** | $ 66,045,633 | $ 64,714,792 |

1. **Medical Program.** Texas A&M University System Health Science Center is hereby authorized to unite with Scott & White Clinic, Scott & White Memorial Hospital, and the Scott, Sherwood, and Brindley Foundation as its long-term primary partners for high quality clinical education and research for the benefit of the citizens of Texas. Texas A&M University System Health Science Center is additionally authorized to collaborate with the Central Texas Veterans' Health Care System, Darnall Army Community Hospital, and Driscoll Children's Hospital. Research conducted by Texas A&M University System Health Science Center faculty under the contract with its primary clinical partner to provide clinical education and research services shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies.

2. **Cardiovascular Research Institute.** Out of the amounts appropriated above, Texas A&M University System Health Science Center shall expend up to $2,055,000 in fiscal year 2004 and up to $2,305,000 in fiscal year 2005 for Cardiovascular Research Institute activities conducted primarily at the health science center facilities in Temple. It is the intent of the Legislature that these funds would be an addition to the amounts allocated to the Temple campus for the normal operation and maintenance of programs and facilities during the biennium.

3. **Coastal Bend Health Education Center.** Out of funds appropriated above to Texas A&M University System Health Science Center in Strategy E.1.1, Coastal Bend Health Education Center, the institution shall allocate up to $568,340 in fiscal year 2004 and up to $505,192 in fiscal year 2005 to operate a local area network among coastal distance education sites, provide electronic library access, and develop allied health programs with area general academic institutions.

4. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, Texas A&M University System Health Science Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,309,951 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

## UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 95% | 95% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 71% | 71% |

## UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH
(Continued)

| | | | | |
|---|---|---|---|---|
| Percent of Medical School Graduates Practicing Primary Care in Texas | | 38% | | 38% |
| Percent of Graduates in Family Practice in Texas | | 25% | | 25% |
| Percent of Graduates Entering a Family Practice Residency | | 41% | | 41% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | | 95% | | 95% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | | 92% | | 92% |
| Percent of Public Health School Graduates Who Are Employed in Texas | | 81% | | 81% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | | 9.27% | | 9.27% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ | 22,371,004 | $ | 22,371,004 |
| **Explanatory:** | | | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | | 19.5% | | 19.5% |
| Minority Admissions as a Percent of Total DO Admissions | | 10% | | 10% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | | 9% | | 9% |
| **A.1.2. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ | 2,042,558 | $ | 2,042,558 |
| Graduate training in biomedical sciences. | | | | |
| **A.1.3. Strategy:** GRADUATE TRAINING IN PUBLIC HEALTH | $ | 3,387,748 | $ | 3,387,748 |
| **A.1.4. Strategy:** PHYSICIAN ASSISTANT PROGRAM | $ | 2,204,392 | $ | 2,204,392 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 371,954 | $ | 371,954 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ | 427,549 | $ | 427,549 |
| **A.2.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 12,000 | $ | 12,000 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 582,665 | $ | 593,331 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ | 73,369 | $ | 74,126 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 31,473,239 | $ | 31,484,662 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | | | |
| **Outcome (Results/Impact):** | | | | |
| Total External Research Expenditures | | 4,750,000 | | 4,950,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ | 1,616,123 | $ | 1,616,123 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ | 1,413,438 | $ | 1,415,548 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ | 3,029,561 | $ | 3,031,671 |
| **C. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ | 3,924,405 | $ | 3,924,405 |
| Educational and general space support. | | | | |
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 4,399,338 | $ | 4,399,338 |
| **C.2.2. Strategy:** LEASE OF FACILITIES | $ | 80,561 | $ | 80,561 |
| **Total, Goal C:** PROVIDE INFRASTRUCTURE SUPPORT | $ | 8,404,304 | $ | 8,404,304 |
| **D. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **D.3.1. Strategy:** ALZHEIMER'S DIAG &TREATMENT CENTER | $ | 437,500 | $ | 437,500 |
| Alzheimer's Diagnostic and Treatment Center. | | | | |
| **D.4.1. Strategy:** DNA LABORATORY | $ | 1,502,750 | $ | 1,502,626 |
| Clinical genetics/DNA laboratory. | | | | |
| **D.5.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 3,821,944 | $ | 3,821,943 |
| **Total, Goal D:** PROVIDE SPECIAL ITEM SUPPORT | $ | 5,762,194 | $ | 5,762,069 |
| **Grand Total,** UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH | $ | 48,669,298 | $ | 48,682,706 |

## UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH
(Continued)

| | | |
|---|---|---|
| **Method of Financing:** | | |
| General Revenue Fund | $ 42,842,941 | $ 42,779,158 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | 5,826,357 | 5,903,548 |
| **Total, Method of Financing** | $ 48,669,298 | $ 48,682,706 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 711.1 | 711.1 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 18,924,966 | $ 19,402,370 |
| Other Personnel Costs | 491,471 | 387,755 |
| Faculty Salaries (Higher Education Only) | 14,030,329 | 13,355,508 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 955,270 | 986,275 |
| Operating Costs | 13,775,896 | 14,331,092 |
| Grants | 491,366 | 219,706 |
| **Total, Object-of-Expense Informational Listing** | $ 48,669,298 | $ 48,682,706 |

1. **Forensic Laboratory.** The University of North Texas Health Science Center at Fort Worth is authorized to conduct all blood and DNA tests associated with paternity testing for the Office of the Attorney General at a monetary rate not to exceed the monetary rate at which the Attorney General could obtain the service elsewhere to the extent permitted under federal law and regulations. The income derived from this testing is to be spent only on the Forensic Laboratory. In addition, the services of the Forensic Laboratory are available to other entities or interested parties approved by the University of North Texas Health Science Center at Fort Worth.

2. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the University of North Texas Health Science Center at Fort Worth also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,280,420 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

3. **Parking Garage Debt Service.** Funds appropriated in Strategy C.2.1, Tuition Revenue Bond Retirement, may be used to retire bonds authorized by the Seventy-sixth Legislature to construct a campus parking garage. Parking fee revenue generated by this facility will be accounted for and reported to the Legislative Budget Board. The fee revenue, minus operational and maintenance costs, will be counted in the appropriations process to offset the costs of servicing debt associated with this facility.

## TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt | 92% | 92% |
| Percent of Medical School Graduates Entering a Primary Care Residency | 45% | 45% |
| Percent of Medical School Graduates Practicing Primary Care in Texas | 28% | 28% |
| Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt | 90% | 90% |
| Percent of Allied Health Graduates Who Are Licensed or Certified in Texas | 85% | 85% |
| Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas | 86% | 86% |
| Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas | 92% | 92% |
| Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas | 57% | 57% |
| Percent of Pharmacy School Graduates Passing the National Licensing Exam on the First Attempt | 95% | 95% |
| Percent of Pharmacy School Graduates Who Are Licensed in Texas | 90% | 90% |
| Administrative (Institutional Support) Cost as a Percent of Total Expenditures | 4.94% | 4.94% |
| **A.1.1. Strategy:** MEDICAL EDUCATION | $ 26,069,029 | $ 26,069,029 |
| **Explanatory:** | | |
| Minority Admissions as a Percent of Total First-year Admissions (All Schools) | 14.5% | 14.5% |
| Minority MD Admissions as a Percent of Total MD Admissions | 10.5% | 10.5% |
| Minority MD or DO Residents as a Percent of Total MD or DO Residents | 20% | 20% |
| **A.1.2. Strategy:** BIOMEDICAL SCIENCES TRAINING | $ 2,118,109 | $ 2,118,109 |
| Graduate training in biomedical sciences. | | |
| **A.1.3. Strategy:** ALLIED HEALTH PROFESSIONS TRAINING | $ 9,653,852 | $ 9,653,852 |
| **A.1.4. Strategy:** NURSING EDUCATION | $ 4,626,468 | $ 4,626,468 |
| **A.1.5. Strategy:** PHARMACY EDUCATION | $ 9,879,162 | $ 9,879,162 |
| **A.2.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 592,928 | $ 592,928 |
| **A.2.2. Strategy:** WORKERS' COMPENSATION INSURANCE | $ 648,934 | $ 648,934 |
| **A.3.1. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 747,000 | $ 747,000 |
| **A.3.2. Strategy:** MEDICAL LOANS | $ 62,400 | $ 62,400 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 54,397,882 | $ 54,397,882 |
| **B. Goal:** PROVIDE RESEARCH SUPPORT | | |
| **Outcome (Results/Impact):** | | |
| Total External Research Expenditures | 10,700,000 | 11,200,000 |
| **B.1.1. Strategy:** RESEARCH ENHANCEMENT | $ 1,677,872 | $ 1,677,872 |
| **B.1.2. Strategy:** INDIRECT COST RECOVERY | $ 3,398,102 | $ 3,515,264 |
| **Total, Goal B:** PROVIDE RESEARCH SUPPORT | $ 5,075,974 | $ 5,193,136 |
| **C. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **C.1.1. Strategy:** E&G SPACE SUPPORT | $ 11,282,040 | $ 11,282,040 |
| Educational and general space support. | | |

## TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

| | | | | |
|---|---|---|---|---|
| **C.2.1. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 9,713,101 | $ | 8,310,365 |
| **Total, Goal C:** INFRASTRUCTURE SUPPORT | $ | 20,995,141 | $ | 19,592,405 |
| **D. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | | | |
| **D.1.1. Strategy:** SOUTH TEXAS PROFESSIONAL EDUCATION | $ | 871,129 | $ | 774,337 |
| South Texas Border Region health professional education. | | | | |
| **D.1.2. Strategy:** BORDER SUPPORT - ACADEMIC EXPANSION | $ | 3,530,533 | $ | 3,530,645 |
| Border health care support - academic expansion. | | | | |
| **D.1.3. Strategy:** ACADEMIC SUPPORT-BORDER DEVELOPMENT | $ | 357,087 | $ | 357,348 |
| Academic operations support - Border Region development. | | | | |
| **D.1.4. Strategy:** INTEGRATED HEALTH NETWORK | $ | 1,203,250 | $ | 1,202,401 |
| **Output (Volume):** | | | | |
| Annual Event Hours of Distance Education | | 74,460 | | 78,200 |
| **D.1.5. Strategy:** MEDICAL EDUCATION - ODESSA | $ | 1,364,551 | $ | 1,365,389 |
| **D.1.6. Strategy:** EL PASO - MEDICAL | $ | 1,312,500 | $ | 1,312,500 |
| **D.2.1. Strategy:** FAMILY/COMMUNITY MEDICINE RESIDENCY | $ | 545,743 | $ | 545,357 |
| Family and community medicine residency training programs. | | | | |
| **D.2.2. Strategy:** MIDLAND SURGICAL RESIDENCY TRAINING | $ | 117,303 | $ | 117,221 |
| Midland surgical residency training program. | | | | |
| **D.2.3. Strategy:** MIDLAND CARDIOLOGY RESIDENCY | $ | 269,407 | $ | 269,217 |
| Midland cardiology residency training program. | | | | |
| **D.2.4. Strategy:** BORDER HEALTH - RESIDENT SUPPORT | $ | 351,915 | $ | 352,176 |
| Border health care support - resident support. | | | | |
| **D.3.1. Strategy:** DIABETES RESEARCH CENTER | $ | 262,500 | $ | 262,500 |
| **D.4.1. Strategy:** RURAL HEALTH CARE | $ | 928,006 | $ | 927,968 |
| Rural health care support and education. | | | | |
| **D.5.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 9,898,379 | $ | 9,898,379 |
| Multicampus (4) institutional enhancement. | | | | |
| **Total, Goal D:** PROVIDE SPECIAL ITEM SUPPORT | $ | 21,012,303 | $ | 20,915,438 |
| **Grand Total,** TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER | $ | 101,481,300 | $ | 100,098,861 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 93,158,255 | $ | 91,663,579 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 8,323,045 | | 8,435,282 |
| **Total, Method of Financing** | $ | 101,481,300 | $ | 100,098,861 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,580.5 | | 1,580.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 38,393,110 | $ | 40,002,782 |
| Other Personnel Costs | | 1,122,239 | | 1,277,497 |
| Faculty Salaries (Higher Education Only) | | 31,948,308 | | 33,931,561 |

| | | |
|---|---|---|
| Operating Costs | 28,010,444 | 24,278,455 |
| Grants | 2,007,199 | 608,566 |
| **Total, Object-of-Expense Informational Listing** | $ 101,481,300 | $ 100,098,861 |

1. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above to Texas Tech University Health Sciences Center in Strategy D.1.1, South Texas Professional Education, is the amount of $871,129 for the fiscal year ending August 31, 2004 and $774,337 for the fiscal year ending August 31, 2005 for use by the Regional Academic Health Center in El Paso for infrastructure support, faculty salaries, maintenance and operation, and library resources.

   a. Any unexpended balances remaining in the appropriations identified in this section as of August 31, 2004, are appropriated to Texas Tech University Health Sciences Center for their original purposes and shall be used with funds appropriated by this section for the fiscal year ending August 31, 2005.

   b. A report by the Texas Tech University Health Sciences Center shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

2. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.

3. **El Paso Center for Border Health Research.** It is the intent of the Legislature that the El Paso Center for Border Health Research is a collaboration between the University of Texas at El Paso and the Texas Tech University Health Sciences Center and is one component of the Paso del Norte Regional Health Institute. The El Paso Center for Border Health Research will be located in El Paso and will be concerned with the Texas border region. It shall conduct research, in areas not limited to, but focusing on and including, infectious diseases such as tuberculosis, Hispanic health issues such as diabetes and hypertension, border environmental health issues such as those associated with water and air quality, and children's health.

4. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, Texas Tech University Health Sciences Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $3,648,600 in each year of the 2004–05 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

5. **Medical School Enrollment.** Upon accreditation and approval by the Texas Higher Education Coordinating Board, Texas Tech University Health Sciences Center School of Medicine is authorized to admit annually an additional 20 medical students until the School of Medicine's first year enrollment reaches 200. It is the intent of the Legislature that this increase in enrollment be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

## PUBLIC COMMUNITY/JUNIOR COLLEGES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** ALAMO COMMUNITY COLLEGE | | |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ 41,332,732 | $ 41,332,732 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 16,704,067 | $ 16,704,067 |
| **Total, Goal A:** ALAMO COMMUNITY COLLEGE | $ 58,036,799 | $ 58,036,799 |
| **B. Goal:** ALVIN COMMUNITY COLLEGE | | |
| **B.1.1. Strategy:** ACADEMIC EDUCATION | $ 4,029,249 | $ 4,029,249 |
| **B.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 3,881,223 | $ 3,881,223 |
| **Total, Goal B:** ALVIN COMMUNITY COLLEGE | $ 7,910,472 | $ 7,910,472 |
| **C. Goal:** AMARILLO COLLEGE | | |
| **C.2.1. Strategy:** ACADEMIC EDUCATION | $ 7,720,714 | $ 7,720,714 |
| **C.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 8,246,106 | $ 8,246,106 |
| **Total, Goal C:** AMARILLO COLLEGE | $ 15,966,820 | $ 15,966,820 |
| **D. Goal:** ANGELINA COLLEGE | | |
| **D.1.1. Strategy:** ACADEMIC EDUCATION | $ 4,283,622 | $ 4,283,622 |
| **D.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 3,591,486 | $ 3,591,486 |
| **Total, Goal D:** ANGELINA COLLEGE | $ 7,875,108 | $ 7,875,108 |
| **E. Goal:** AUSTIN COMMUNITY COLLEGE | | |
| **E.1.1. Strategy:** ACADEMIC EDUCATION | $ 26,496,183 | $ 26,496,183 |
| **E.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 10,187,572 | $ 10,187,572 |
| **Total, Goal E:** AUSTIN COMMUNITY COLLEGE | $ 36,683,755 | $ 36,683,755 |
| **F. Goal:** BLINN COLLEGE | | |
| **F.1.1. Strategy:** STAR OF THE REPUBLIC MUSEUM | $ 332,110 | $ 332,110 |
| **F.2.1. Strategy:** ACADEMIC EDUCATION | $ 16,082,961 | $ 16,082,961 |
| **F.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 2,509,703 | $ 2,509,703 |
| **Total, Goal F:** BLINN COLLEGE | $ 18,924,774 | $ 18,924,774 |
| **G. Goal:** BRAZOSPORT COLLEGE | | |
| **G.1.1. Strategy:** ACADEMIC EDUCATION | $ 2,709,704 | $ 2,709,704 |
| **G.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 2,960,860 | $ 2,960,860 |
| **Total, Goal G:** BRAZOSPORT COLLEGE | $ 5,670,564 | $ 5,670,564 |
| **H. Goal:** CENTRAL TEXAS COLLEGE | | |
| **H.1.1. Strategy:** ACADEMIC EDUCATION | $ 8,305,127 | $ 8,305,126 |
| **H.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 8,694,090 | $ 8,694,090 |
| **Total, Goal H:** CENTRAL TEXAS COLLEGE | $ 16,999,217 | $ 16,999,216 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | | | |
|---|---|---|---|---|
| **I. Goal:** CISCO JUNIOR COLLEGE | | | | |
| **I.1.1. Strategy:** ACADEMIC EDUCATION | $ | 2,880,543 | $ | 2,880,542 |
| **I.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,421,779 | $ | 1,421,779 |
| **Total, Goal I:** CISCO JUNIOR COLLEGE | $ | 4,302,322 | $ | 4,302,321 |
| **J. Goal:** CLARENDON COLLEGE | | | | |
| **J.1.1. Strategy:** ACADEMIC EDUCATION | $ | 1,723,761 | $ | 1,723,760 |
| **J.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 342,694 | $ | 342,694 |
| **Total, Goal J:** CLARENDON COLLEGE | $ | 2,066,455 | $ | 2,066,454 |
| **K. Goal:** COASTAL BEND COLLEGE | | | | |
| **K.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,256,753 | $ | 3,256,753 |
| **K.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 3,301,612 | $ | 3,301,613 |
| **Total, Goal K:** COASTAL BEND COLLEGE | $ | 6,558,365 | $ | 6,558,366 |
| **L. Goal:** COLLEGE OF THE MAINLAND | | | | |
| **L.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,656,583 | $ | 3,656,583 |
| **L.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,563,626 | $ | 2,563,626 |
| **Total, Goal L:** COLLEGE OF THE MAINLAND | $ | 6,220,209 | $ | 6,220,209 |
| **M. Goal:** COLLIN COUNTY CC | | | | |
| Collin County Community College. | | | | |
| **M.1.1. Strategy:** ACADEMIC EDUCATION | $ | 15,988,034 | $ | 15,988,033 |
| **M.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 5,904,535 | $ | 5,904,535 |
| **Total, Goal M:** COLLIN COUNTY CC | $ | 21,892,569 | $ | 21,892,568 |
| **N. Goal:** DALLAS COUNTY CC | | | | |
| Dallas County Community College. | | | | |
| **N.1.1. Strategy:** SMALL BUSINESS DEVELOPMENT CENTER | $ | 718,065 | $ | 718,065 |
| **N.2.1. Strategy:** ACADEMIC EDUCATION | $ | 48,970,569 | $ | 48,970,568 |
| **N.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 34,119,757 | $ | 34,119,757 |
| **Total, Goal N:** DALLAS COUNTY CC | $ | 83,808,391 | $ | 83,808,390 |
| **O. Goal:** DEL MAR COLLEGE | | | | |
| **O.1.1. Strategy:** ACADEMIC EDUCATION | $ | 8,746,367 | $ | 8,746,367 |
| **O.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 9,715,446 | $ | 9,715,446 |
| **Total, Goal O:** DEL MAR COLLEGE | $ | 18,461,813 | $ | 18,461,813 |
| **P. Goal:** EL PASO COMMUNITY COLLEGE | | | | |
| **P.1.1. Strategy:** ACADEMIC EDUCATION | $ | 18,830,528 | $ | 18,830,527 |
| **P.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 10,544,841 | $ | 10,544,841 |
| **Total, Goal P:** EL PASO COMMUNITY COLLEGE | $ | 29,375,369 | $ | 29,375,368 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | | | |
|---|---|---|---|---|
| **Q. Goal:** FRANK PHILLIPS COLLEGE | | | | |
| **Q.1.1. Strategy:** ACADEMIC EDUCATION | $ | 1,258,794 | $ | 1,258,794 |
| **Q.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,272,146 | $ | 1,272,146 |
| **Total, Goal Q:** FRANK PHILLIPS COLLEGE | $ | 2,530,940 | $ | 2,530,940 |
| **R. Goal:** GALVESTON COLLEGE | | | | |
| **R.1.1. Strategy:** ACADEMIC EDUCATION | $ | 2,680,453 | $ | 2,680,452 |
| **R.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,061,096 | $ | 2,061,097 |
| **Total, Goal R:** GALVESTON COLLEGE | $ | 4,741,549 | $ | 4,741,549 |
| **S. Goal:** GRAYSON COUNTY COLLEGE | | | | |
| **S.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,422,609 | $ | 3,422,609 |
| **S.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,822,087 | $ | 2,822,088 |
| **Total, Goal S:** GRAYSON COUNTY COLLEGE | $ | 6,244,696 | $ | 6,244,697 |
| **T. Goal:** HILL COLLEGE | | | | |
| **T.1.1. Strategy:** HERITAGE MUSEUM/GENEALOGY CENTER | $ | 360,937 | $ | 360,938 |
| Heritage Museum and Genealogy Center. | | | | |
| **T.2.1. Strategy:** ACADEMIC EDUCATION | $ | 2,806,587 | $ | 2,806,587 |
| **T.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,170,549 | $ | 2,170,550 |
| **Total, Goal T:** HILL COLLEGE | $ | 5,338,073 | $ | 5,338,075 |
| **U. Goal:** HOUSTON COMMUNITY COLLEGE | | | | |
| **U.1.1. Strategy:** ACADEMIC EDUCATION | $ | 33,534,182 | $ | 33,534,182 |
| **U.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 27,282,101 | $ | 27,282,101 |
| **Total, Goal U:** HOUSTON COMMUNITY COLLEGE | $ | 60,816,283 | $ | 60,816,283 |
| **V. Goal:** HOWARD COLLEGE | | | | |
| **V.1.1. Strategy:** SWCID | $ | 2,741,766 | $ | 2,741,766 |
| Southwest Collegiate Institute for the Deaf. | | | | |
| **V.2.1. Strategy:** ACADEMIC EDUCATION | $ | 2,515,173 | $ | 2,515,173 |
| **V.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,764,361 | $ | 4,764,361 |
| **Total, Goal V:** HOWARD COLLEGE | $ | 10,021,300 | $ | 10,021,300 |
| **W. Goal:** KILGORE COLLEGE | | | | |
| **W.1.1. Strategy:** ACADEMIC EDUCATION | $ | 5,362,366 | $ | 5,362,366 |
| **W.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,928,908 | $ | 4,928,909 |
| **Total, Goal W:** KILGORE COLLEGE | $ | 10,291,274 | $ | 10,291,275 |
| **X. Goal:** LAREDO COMMUNITY COLLEGE | | | | |
| **X.1.1. Strategy:** IMPORT/EXPORT TRNG CTR | $ | 211,437 | $ | 211,437 |
| Regional Import/Export Training Center. | | | | |
| **X.2.1. Strategy:** ACADEMIC EDUCATION | $ | 7,095,010 | $ | 7,095,010 |
| **X.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,563,235 | $ | 4,563,235 |
| **Total, Goal X:** LAREDO COMMUNITY COLLEGE | $ | 11,869,682 | $ | 11,869,682 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | | | |
|---|---|---|---|---|
| **Y. Goal:** LEE COLLEGE | | | | |
| **Y.1.1. Strategy:** ACADEMIC EDUCATION | $ | 4,683,293 | $ | 4,683,293 |
| **Y.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 5,486,077 | $ | 5,486,077 |
| **Total, Goal Y:** LEE COLLEGE | $ | 10,169,370 | $ | 10,169,370 |
| **Z. Goal:** MCLENNAN COMMUNITY COLLEGE | | | | |
| **Z.1.1. Strategy:** ACADEMIC EDUCATION | $ | 6,481,474 | $ | 6,481,474 |
| **Z.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,899,679 | $ | 4,899,679 |
| **Total, Goal Z:** MCLENNAN COMMUNITY COLLEGE | $ | 11,381,153 | $ | 11,381,153 |
| **AA. Goal:** MIDLAND COLLEGE | | | | |
| **AA.1.1. Strategy:** AMERICAN AIRPOWER HERITAGE MUSEUM | $ | 500,000 | $ | 500,000 |
| **AA.2.1. Strategy:** ACADEMIC EDUCATION | $ | 4,690,274 | $ | 4,690,273 |
| **AA.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 3,354,415 | $ | 3,354,415 |
| **Total, Goal AA:** MIDLAND COLLEGE | $ | 8,544,689 | $ | 8,544,688 |
| **AB. Goal:** NAVARRO COLLEGE | | | | |
| **AB.1.1. Strategy:** ACADEMIC EDUCATION | $ | 6,001,063 | $ | 6,001,062 |
| **AB.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,772,640 | $ | 2,772,640 |
| **Total, Goal AB:** NAVARRO COLLEGE | $ | 8,773,703 | $ | 8,773,702 |
| **AC. Goal:** NORTH CENTRAL TX COLLEGE | | | | |
| North Central Texas College. | | | | |
| **AC.1.1. Strategy:** ACADEMIC EDUCATION | $ | 5,256,999 | $ | 5,256,999 |
| **AC.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,918,045 | $ | 1,918,045 |
| **Total, Goal AC:** NORTH CENTRAL TX COLLEGE | $ | 7,175,044 | $ | 7,175,044 |
| **AD. Goal:** NORTH HARRIS MONTGOMERY CC | | | | |
| North Harris Montgomery Community College. | | | | |
| **AD.1.1. Strategy:** ACADEMIC EDUCATION | $ | 28,779,259 | $ | 28,779,258 |
| **AD.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 11,629,906 | $ | 11,629,906 |
| **Total, Goal AD:** NORTH HARRIS MONTGOMERY CC | $ | 40,409,165 | $ | 40,409,164 |
| **AE. Goal:** NORTHEAST TEXAS CC | | | | |
| Northeast Texas Community College. | | | | |
| **AE.2.1. Strategy:** ACADEMIC EDUCATION | $ | 2,327,135 | $ | 2,327,135 |
| **AE.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,231,522 | $ | 1,231,523 |
| **Total, Goal AE:** NORTHEAST TEXAS CC | $ | 3,558,657 | $ | 3,558,658 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | | | |
|---|---|---|---|---|
| **AF. Goal:** ODESSA COLLEGE | | | | |
| **AF.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,922,020 | $ | 3,922,020 |
| **AF.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,244,225 | $ | 4,244,225 |
| **Total, Goal AF:** ODESSA COLLEGE | $ | 8,166,245 | $ | 8,166,245 |
| **AG. Goal:** PANOLA COLLEGE | | | | |
| **AG.1.1. Strategy:** ACADEMIC EDUCATION | $ | 1,837,834 | $ | 1,837,833 |
| **AG.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,420,372 | $ | 1,420,372 |
| **Total, Goal AG:** PANOLA COLLEGE | $ | 3,258,206 | $ | 3,258,205 |
| **AH. Goal:** PARIS JUNIOR COLLEGE | | | | |
| **AH.1.1. Strategy:** ACADEMIC EDUCATION | $ | 4,436,144 | $ | 4,436,143 |
| **AH.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,118,605 | $ | 2,118,605 |
| **Total, Goal AH:** PARIS JUNIOR COLLEGE | $ | 6,554,749 | $ | 6,554,748 |
| **AI. Goal:** RANGER COLLEGE | | | | |
| **AI.1.1. Strategy:** ACADEMIC EDUCATION | $ | 1,366,846 | $ | 1,366,846 |
| **AI.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 710,210 | $ | 710,210 |
| **Total, Goal AI:** RANGER COLLEGE | $ | 2,077,056 | $ | 2,077,056 |
| **AJ. Goal:** SAN JACINTO COLLEGE | | | | |
| **AJ.1.1. Strategy:** ACADEMIC EDUCATION | $ | 19,253,171 | $ | 19,253,172 |
| **AJ.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 14,326,300 | $ | 14,326,300 |
| **Total, Goal AJ:** SAN JACINTO COLLEGE | $ | 33,579,471 | $ | 33,579,472 |
| **AK. Goal:** SOUTH PLAINS COLLEGE | | | | |
| **AK.1.1. Strategy:** ACADEMIC EDUCATION | $ | 8,419,739 | $ | 8,419,740 |
| **AK.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,612,852 | $ | 4,612,852 |
| **Total, Goal AK:** SOUTH PLAINS COLLEGE | $ | 13,032,591 | $ | 13,032,592 |
| **AL. Goal:** SO TX COMMUNITY COLLEGE<br>South Texas Community College. | | | | |
| **AL.1.1. Strategy:** ACADEMIC EDUCATION | $ | 13,729,151 | $ | 13,729,151 |
| **AL.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 6,301,328 | $ | 6,301,328 |
| **Total, Goal AL:** SO TX COMMUNITY COLLEGE | $ | 20,030,479 | $ | 20,030,479 |
| **AM. Goal:** SW TEXAS JUNIOR COLLEGE<br>Southwest Texas Junior College. | | | | |
| **AM.1.1. Strategy:** ACADEMIC EDUCATION | $ | 4,140,266 | $ | 4,140,266 |
| **AM.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 1,863,884 | $ | 1,863,884 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | | | |
|---|---|---|---|---|
| **Total, Goal AM:** SW TEXAS JUNIOR COLLEGE | $ | 6,004,150 | $ | 6,004,150 |
| **AN. Goal:** TARRANT COUNTY COLLEGE | | | | |
| **AN.1.1. Strategy:** ACADEMIC EDUCATION | $ | 29,627,539 | $ | 29,627,539 |
| **AN.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 10,379,976 | $ | 10,379,976 |
| **Total, Goal AN:** TARRANT COUNTY COLLEGE | $ | 40,007,515 | $ | 40,007,515 |
| **AO. Goal:** TEMPLE COLLEGE | | | | |
| **AO.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,159,215 | $ | 3,159,215 |
| **AO.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 2,599,036 | $ | 2,599,037 |
| **Total, Goal AO:** TEMPLE COLLEGE | $ | 5,758,251 | $ | 5,758,252 |
| **AP. Goal:** TEXARKANA COLLEGE | | | | |
| **AP.1.1. Strategy:** ACADEMIC EDUCATION | $ | 3,673,670 | $ | 3,673,670 |
| **AP.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 4,593,945 | $ | 4,593,945 |
| **Total, Goal AP:** TEXARKANA COLLEGE | $ | 8,267,615 | $ | 8,267,615 |
| **AQ. Goal:** TEXAS SOUTHMOST COLLEGE | | | | |
| **AQ.1.1. Strategy:** ACADEMIC EDUCATION | $ | 7,261,729 | $ | 7,261,730 |
| **AQ.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 3,488,476 | $ | 3,488,476 |
| **Total, Goal AQ:** TEXAS SOUTHMOST COLLEGE | $ | 10,750,205 | $ | 10,750,206 |
| **AR. Goal:** TRINITY VALLEY CC | | | | |
| Trinity Valley Community College. | | | | |
| **AR.1.1. Strategy:** ACADEMIC EDUCATION | $ | 4,900,482 | $ | 4,900,482 |
| **AR.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 5,200,248 | $ | 5,200,248 |
| **Total, Goal AR:** TRINITY VALLEY CC | $ | 10,100,730 | $ | 10,100,730 |
| **AS. Goal:** TYLER JUNIOR COLLEGE | | | | |
| **AS.1.1. Strategy:** ACADEMIC EDUCATION | $ | 9,753,676 | $ | 9,753,677 |
| **AS.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 5,269,332 | $ | 5,269,332 |
| **Total, Goal AS:** TYLER JUNIOR COLLEGE | $ | 15,023,008 | $ | 15,023,009 |
| **AT. Goal:** VERNON COLLEGE | | | | |
| **AT.1.1. Strategy:** ACADEMIC EDUCATION | $ | 1,863,149 | $ | 1,863,149 |
| **AT.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 3,251,600 | $ | 3,251,600 |
| **Total, Goal AT:** VERNON COLLEGE | $ | 5,114,749 | $ | 5,114,749 |
| **AU. Goal:** VICTORIA COLLEGE | | | | |
| **AU.2.1. Strategy:** ACADEMIC EDUCATION | $ | 3,557,044 | $ | 3,557,044 |

## PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

| | | |
|---|---|---|
| **AU.2.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 3,332,599 | $ 3,332,599 |
| **Total, Goal AU:** VICTORIA COLLEGE | $ 6,889,643 | $ 6,889,643 |
| **AV. Goal:** WEATHERFORD COLLEGE | | |
| **AV.1.1. Strategy:** ACADEMIC EDUCATION | $ 3,287,045 | $ 3,287,045 |
| **AV.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 4,019,970 | $ 4,019,971 |
| **Total, Goal AV:** WEATHERFORD COLLEGE | $ 7,307,015 | $ 7,307,016 |
| **AW. Goal:** WESTERN TEXAS COLLEGE | | |
| **AW.1.1. Strategy:** ACADEMIC EDUCATION | $ 1,381,708 | $ 1,381,708 |
| **AW.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 1,160,754 | $ 1,160,754 |
| **Total, Goal AW:** WESTERN TEXAS COLLEGE | $ 2,542,462 | $ 2,542,462 |
| **AX. Goal:** WHARTON COUNTY JR COLLEGE | | |
| Wharton County Junior College. | | |
| **AX.1.1. Strategy:** ACADEMIC EDUCATION | $ 5,311,013 | $ 5,311,013 |
| **AX.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 2,637,540 | $ 2,637,540 |
| **Total, Goal AX:** WHARTON COUNTY JR COLLEGE | $ 7,948,553 | $ 7,948,553 |
| **Grand Total,** PUBLIC COMMUNITY/JUNIOR COLLEGES | $ 755,031,273 | $ 755,031,274 |
| **Object-of-Expense Informational Listing:** | | |
| Operating Costs | $ 755,031,273 | $ 755,031,274 |
| **Total, Object-of-Expense Informational Listing** | $ 755,031,273 | $ 755,031,274 |

1. **Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

2. **Appropriation Eligibility.** To be eligible for and to receive an appropriation a public community/junior college must be certified as required by Education Code, Chapter 61, § 61.001, and comply with the following provisions:

   a. The Texas Higher Education Coordinating Board shall 1) determine whether each eligible public community/junior college has complied with all the provisions of this section; 2) determine each college's list of approved courses; and 3) certify its findings and such lists to the State Auditor not later than October 1 of each fiscal year. Each public community/junior college shall make such reports to the Texas Higher Education Coordinating Board as may be required, classified in accordance with the rules and regulations issued by the Board.

   b. On or before the dates for reporting official enrollments each semester to the Texas Higher Education Coordinating Board, each college will collect in full from each student that is to be counted for state aid purposes the amounts set as tuition by the respective governing

boards. Valid contracts with the United States government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder, but subject to adjustments after final payment thereof.

c. Each community/junior college must use a registration and financial reporting system which is sufficient to satisfy the audit requirements of the State Auditor and furnish any reports and information as the auditor may require.

d. Each community/junior college must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position.

3. **Approved Elements of Expenditure.** The expenditures by a public community/junior college of any funds received by it under these provisions headed "Public Community/Junior Colleges" shall be limited to the payment of the following elements of cost: instruction, academic support, student services, institutional support, organized activities, and staff benefits associated with salaries paid from general revenue. It is specifically provided, however, that in addition to the purposes enumerated herein, the funds appropriated above for special items may be expended for salaries, wages, travel, capital outlay and other necessary operating expenses. It is specifically provided that funds appropriated above may not be used for the operation of intercollegiate athletics.

4. **Audit of Compliance.** The compliance of each public community/junior college with the requirements set forth in the paragraphs above shall be ascertained by the State Auditor who shall also audit the pertinent books and records of each college as necessary.

5. **Vouchers for Disbursement of Appropriated Funds.** Vouchers for disbursement of the sums appropriated hereinabove shall be prepared by the Texas Higher Education Coordinating Board on the basis of the provisions in the paragraphs above and the warrants issued in payment thereof shall be issued in compliance with Education Code, § 130.0031.

   Funds appropriated above to Howard County College for the operation of the Southwest Collegiate Institute for the Deaf shall be distributed in accordance with the installment schedule for Category 1 junior colleges.

   The total amount of funds appropriated above in each year of the biennium to Midland College in Strategy AA.1.1, American Airpower Heritage Museum, should be distributed on September 1 of the year funds are appropriated.

   In submitting vouchers for disbursement of the funds herein appropriated, the Texas Higher Education Coordinating Board, shall certify to the State Comptroller of Public Accounts that each school listed has qualified and is entitled to receive such funds under the provisions set forth in this Act under the heading "Public Community/Junior Colleges."

6. **Unobligated Balances.** At the close of each fiscal year each community/junior college shall report to the Coordinating Board the amount of state allocations which have not been obligated within each line item and shall return that amount to the State Treasury for deposit in the General Revenue Fund.

7. **Adjustment of Contact Hours.** The hours used in the contact hour base period are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges, and the dollar amounts adjusted accordingly by the Texas Higher Education Coordinating Board at the direction of the Legislative Budget Board. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium. No college shall have dollar amounts adjusted below $2,066,455. Institutions where sampling errors are identified may request a comprehensive institutional audit at institutional expense.

8. **Separation of Funds.** The funds appropriated by the State shall be maintained separately by community/junior colleges from other sources of income.

9. **Supplanting of Federal Funds Prohibited.** It is legislative intent that state funds not be used to supplant federal funds for the Workforce Investment Act programs conducted by community/junior colleges.

10. **Residency of Texas Department of Criminal Justice Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

11. **Small Business Development Center.** The Small Business Development Center at Dallas County Community College shall receive $718,065 in each year of the biennium, as appropriated above, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,436,130 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

12. **Regional Import/Export Training Center.** Appropriations of $48,750 each year made above are contingent upon certification by the Comptroller of Public Accounts that increased economic activity associated with the Regional Import/Export Training Center and the Laredo Junior College will generate at least $97,500 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Regional Import/Export Training Center be used by the center to attract federal funds on a dollar-for-dollar basis.

13. **Informational Listing of Other Appropriations.** In addition to the funds appropriated above, general revenue is appropriated elsewhere in this Act for the use of the Public Community/Junior Colleges as follows:

    a. Out of the general revenue funds appropriated to the Higher Education Employees Group Insurance Contributions, $217,139,509 is intended for the use of public community colleges, subject to the provisions associated with that appropriation.

    b. Out of the general revenue funds appropriated to the Teacher's Retirement System, $63,804,074 is appropriated for the state matching contribution for public community college employees.

c. Out of the general revenue funds appropriated to the Optional Retirement Program, $66,143,566 is appropriated for the state matching contribution for public community college employees.

14. **Trusteed Funds.** In addition to the funds appropriated above, certain funds appropriated to the Higher Education Coordinating Board are trusteed for the use of the Public Community/Junior Colleges as follows:

    a. Approximately 73 percent of the $6 million in general revenue appropriated for Development Education, subject to the criteria in the associated riders.

    b. General revenue funds in the amount of $23 million for Two-Year Enrollment Growth, subject to the criteria in the associated rider.

15. **Reporting Requirement.** Public Community/Junior Colleges shall file with the Comptroller of Public Accounts and the State Auditor, a Benefits Proportional By Fund Report by November 20th for the preceding year ending August 31. The report shall be in a format prescribed by the Comptroller.

## TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **A.1.1. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 49,000 | $ 49,000 |
| **A.1.2. Strategy:** SYSTEM OFFICE OPERATIONS | $ 2,785,226 | $ 2,792,757 |
| **A.1.3. Strategy:** TECHNICAL TRAINING PARTNERSHIP | $ 694,497 | $ 694,497 |
| Technical training partnerships with community colleges. | | |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 3,528,723 | $ 3,536,254 |
| **Grand Total,** TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION | $ 3,528,723 | $ 3,536,254 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 3,116,139 | $ 3,116,139 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | 412,584 | 420,115 |
| **Total, Method of Financing** | $ 3,528,723 | $ 3,536,254 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 48.7 | 48.7 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,892,872 | $ 1,923,798 |
| Other Personnel Costs | 41,570 | 41,576 |
| Faculty Salaries (Higher Education Only) | 355,416 | 438,396 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 52,376 | 64,604 |

## TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION
(Continued)

| | | | | |
|---|---|---|---|---|
| Operating Costs | | 974,489 | | 890,880 |
| Capital Expenditures | | 212,000 | | 177,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,528,723 | $ | 3,536,254 |

1. **Coordination with Community/Junior Colleges.** In accordance with Education Code, Chapter 135, prior to establishing a program in an area which is within a community/junior college district, the Texas State Technical College must receive authorization to offer such educational, technical or vocational programs from the Texas Higher Education Coordinating Board.

2. **Appropriation, Governing Board.** Out of the funds appropriated above an amount not to exceed $49,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Expenditure Reporting for System Administration and Extension Centers.** Prior to each legislative session the Texas State Technical College System Administration shall file with the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board, and the Governor a report detailing expenditures for system administration and the extension centers at Abilene, Brownwood, and Breckenridge. The report shall compare actual expenditures to funds appropriated for those purposes and shall cover the current and previous two biennia.

## TEXAS STATE TECHNICAL COLLEGE - HARLINGEN

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate | | 35% | | 36% |
| Headcount Enrollment | | 5,500 | | 5,500 |
| Number of Associate Degrees and Certificates Awarded | | 525 | | 538 |
| Number of Minority Students Graduated | | 450 | | 450 |
| Administrative Cost as a Percent of Total Expenditures | | 8.1% | | 8.1% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ | 4,052,601 | $ | 4,052,863 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 8,930,740 | $ | 8,931,320 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 355,000 | $ | 355,000 |
| **A.1.4. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 590,000 | $ | 610,000 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 13,928,341 | $ | 13,949,183 |

**B. Goal:** INFRASTRUCTURE SUPPORT
Provide infrastructure support.

## TEXAS STATE TECHNICAL COLLEGE - HARLINGEN
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ | 2,525,812 | $ | 2,547,651 |
| Educational and general space support. | | | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 333,085 | $ | 333,086 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 2,858,897 | $ | 2,880,737 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | | | |
| Provide special item support. | | | | |
| **C.1.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,762,963 | $ | 1,863,463 |
| **Grand Total,** TEXAS STATE TECHNICAL COLLEGE - HARLINGEN | $ | 18,550,201 | $ | 18,693,383 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 14,950,526 | $ | 14,950,526 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 3,599,675 | | 3,742,857 |
| **Total, Method of Financing** | $ | 18,550,201 | $ | 18,693,383 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 437.3 | | 454.3 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,511,411 | $ | 6,564,998 |
| Other Personnel Costs | | 251,879 | | 252,879 |
| Faculty Salaries (Higher Education Only) | | 6,652,054 | | 6,689,986 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 577,325 | | 581,868 |
| Operating Costs | | 3,817,532 | | 3,843,652 |
| Client Services | | 590,000 | | 610,000 |
| Capital Expenditures | | 150,000 | | 150,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 18,550,201 | $ | 18,693,383 |

## TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | | | |
| Provide instructional and operations support. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate | | 52% | | 52% |
| Headcount Enrollment | | 2,493 | | 2,593 |
| Number of Associate Degrees and Certificates Awarded | | 477 | | 495 |
| Number of Minority Students Graduated | | 121 | | 125 |
| Administrative Cost as a Percent of Total Expenditures | | 10.5% | | 10.5% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ | 458,336 | $ | 456,384 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ | 3,919,782 | $ | 3,903,091 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ | 218,000 | $ | 218,000 |
| **A.1.4. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ | 355,854 | $ | 370,089 |

## TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.5. Strategy:** ABILENE ACADEMIC/VOCATIONAL ED<br>Abilene academic/vocational education. | $ | 2,349,521 | $ | 2,337,915 |
| **A.1.6. Strategy:** BROWNWOOD ACADEMIC/VOCATIONAL ED<br>Brownwood academic/vocational education. | $ | 950,473 | $ | 945,803 |
| **A.1.7. Strategy:** RURAL TECH ACADEMIC/VOCATIONAL ED<br>Rural Tech Center academic/vocational education. | $ | 694,607 | $ | 691,017 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ | 8,946,573 | $ | 8,922,299 |
| **B. Goal:** INFRASTRUCTURE SUPPORT<br>Provide infrastructure support. | | | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT<br>Educational and general space support. | $ | 973,008 | $ | 1,077,876 |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ | 224,899 | $ | 224,899 |
| **B.1.3. Strategy:** ABILENE E&G SPACE SUPPORT<br>Abilene educational and general space support. | $ | 187,770 | $ | 178,786 |
| **B.1.4. Strategy:** BROWNWOOD E&G SPACE SUPPORT<br>Brownwood educational and general space support. | $ | 89,802 | $ | 100,350 |
| **B.1.5. Strategy:** RURAL TECH E&G SPACE SUPPORT<br>Rural Tech Center Educational and general space support. | $ | 58,746 | $ | 58,746 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ | 1,534,225 | $ | 1,640,657 |
| **C. Goal:** SPECIAL ITEM SUPPORT<br>Provide special item support. | | | | |
| **C.1.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ | 1,901,392 | $ | 1,901,392 |
| **Grand Total,** TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS | $ | 12,382,190 | $ | 12,464,348 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 10,215,265 | $ | 10,215,265 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | | 2,166,925 | | 2,249,083 |
| **Total, Method of Financing** | $ | 12,382,190 | $ | 12,464,348 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 248.8 | | 247.8 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 4,112,001 | $ | 4,180,472 |
| Other Personnel Costs | | 333,222 | | 334,729 |
| Faculty Salaries (Higher Education Only) | | 4,357,886 | | 4,385,563 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 233,644 | | 234,259 |
| Operating Costs | | 2,936,179 | | 3,026,060 |
| Client Services | | 28,258 | | 30,265 |
| Capital Expenditures | | 381,000 | | 273,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 12,382,190 | $ | 12,464,348 |

# TEXAS STATE TECHNICAL COLLEGE - MARSHALL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate | 44% | 45% |
| Headcount Enrollment | 1,050 | 1,150 |
| Number of Associate Degrees and Certificates Awarded | 130 | 140 |
| Number of Minority Students Graduated | 39 | 42 |
| Administrative Cost as a Percent of Total Expenditures | 13.5% | 13.4% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ 512,945 | $ 511,621 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 1,819,659 | $ 1,814,960 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 61,000 | $ 61,000 |
| **A.1.4. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 128,821 | $ 128,821 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 2,522,425 | $ 2,516,402 |
| **B. Goal:** INFRASTRUCTURE SUPPORT | | |
| Provide infrastructure support. | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 456,845 | $ 462,206 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 174,803 | $ 174,803 |
| **Total, Goal B:** INFRASTRUCTURE SUPPORT | $ 631,648 | $ 637,009 |
| **C. Goal:** SPECIAL ITEM SUPPORT | | |
| Provide special item support. | | |
| **C.1.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 1,435,741 | $ 1,435,741 |
| **Grand Total,** TEXAS STATE TECHNICAL COLLEGE - MARSHALL | $ 4,589,814 | $ 4,589,152 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 3,826,076 | $ 3,826,076 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | 763,738 | 763,076 |
| **Total, Method of Financing** | $ 4,589,814 | $ 4,589,152 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 90.7 | 90.7 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,565,898 | $ 1,566,096 |
| Other Personnel Costs | 42,735 | 42,665 |
| Faculty Salaries (Higher Education Only) | 1,444,082 | 1,441,785 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 61,241 | 61,102 |
| Operating Costs | 1,267,778 | 1,269,424 |
| Grants | 128,821 | 128,821 |
| Capital Expenditures | 79,259 | 79,259 |
| **Total, Object-of-Expense Informational Listing** | $ 4,589,814 | $ 4,589,152 |

## TEXAS STATE TECHNICAL COLLEGE - WACO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** INSTRUCTION/OPERATIONS | | |
| Provide instructional and operations support. | | |
| **Outcome (Results/Impact):** | | |
| Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate | 43% | 43% |
| Headcount Enrollment | 5,475 | 5,600 |
| Number of Associate Degrees and Certificates Awarded | 970 | 975 |
| Number of Minority Students Graduated | 213 | 224 |
| Administrative Cost as a Percent of Total Expenditures | 8.8% | 8.8% |
| **A.1.1. Strategy:** ACADEMIC EDUCATION | $ 2,510,678 | $ 2,526,123 |
| **A.1.2. Strategy:** VOCATIONAL/TECHNICAL EDUCATION | $ 17,491,824 | $ 17,599,442 |
| **A.1.3. Strategy:** STAFF GROUP INSURANCE PREMIUMS | $ 670,000 | $ 670,000 |
| **A.1.4. Strategy:** TEXAS PUBLIC EDUCATION GRANTS | $ 879,355 | $ 914,523 |
| **Total, Goal A:** INSTRUCTION/OPERATIONS | $ 21,551,857 | $ 21,710,088 |
| **B. Goal:** PROVIDE INFRASTRUCTURE SUPPORT | | |
| **B.1.1. Strategy:** E&G SPACE SUPPORT | $ 3,431,279 | $ 3,472,826 |
| Educational and general space support. | | |
| **B.1.2. Strategy:** TUITION REVENUE BOND RETIREMENT | $ 333,085 | $ 333,086 |
| **Total, Goal B:** PROVIDE INFRASTRUCTURE SUPPORT | $ 3,764,364 | $ 3,805,912 |
| **C. Goal:** PROVIDE SPECIAL ITEM SUPPORT | | |
| **C.1.1. Strategy:** INSTITUTIONAL ENHANCEMENT | $ 2,203,778 | $ 2,203,778 |
| **Grand Total,** TEXAS STATE TECHNICAL COLLEGE - WACO | $ 27,519,999 | $ 27,719,778 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 22,694,671 | $ 22,694,671 |
| GR Dedicated - Estimated Other Educational and General Income Account No. 770 | 4,825,328 | 5,025,107 |
| **Total, Method of Financing** | $ 27,519,999 | $ 27,719,778 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 583.7 | 588.7 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 8,162,541 | $ 8,209,954 |
| Other Personnel Costs | 351,855 | 354,012 |
| Faculty Salaries (Higher Education Only) | 10,409,754 | 10,473,800 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 686,554 | 690,777 |
| Operating Costs | 6,763,578 | 6,810,350 |
| Client Services | 885,717 | 920,885 |
| Capital Expenditures | 260,000 | 260,000 |
| **Total, Object-of-Expense Informational Listing** | $ 27,519,999 | $ 27,719,778 |

## SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE

1. **Expenditure of Educational and General Funds.** Recognizing that Texas State Technical College may have the opportunity and should be encouraged to attract private contributions, grants, or contracts, and to enter into agreements with private businesses and other agencies of government for purposes not specifically contained in the strategy items above that might require matching funds from TSTC, the Board of Regents of Texas State Technical College is hereby authorized to expend its remaining educational and general funds to meet contribution, contract, or grant-matching requirements only for the following purposes:

   a. planning and implementing a large-scale job-training program in conjunction with private business and other state agencies;

   b. acquiring facilities and equipment to carry out a large-scale industrial training program in conjunction with a major employer; and

   c. additional space and mechanical systems or renovation of existing buildings in accordance with the Campus Master Plans and subject to approval by the Texas Higher Education Coordinating Board.

2. **Financial Records.** The financial records and reports of the Texas State Technical College shall classify accounts in accordance with the recommendation of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration," published by the American Council on Education with a copyright date of 1952, and subsequent published revisions with such modifications as may be developed and provided by the Comptroller of Public Accounts, or as may be required to conform with specific provisions of the Appropriation Acts of the Legislature. The accounts of the Texas State Technical College shall be maintained and audited in accordance with the approved reporting system. The Texas State Technical College shall deliver to the Texas Higher Education Coordinating Board, any such program reports as it may deem necessary in accordance with its rules and regulations.

3. **Enrollment Records and Reports.** To be eligible to receive the appropriations hereinabove, the Texas State Technical College shall maintain separately for each campus and each extension center such enrollment records and report such enrollment data as required by the Texas Higher Education Coordinating Board. These enrollment reports shall be submitted in the form and on the date required.

   The above reports shall be certified to the Comptroller of Public Accounts no later than the date required by the Coordinating Board, and each term copies of the above certified enrollment reports shall be sent to the Coordinating Board, Legislative Budget Board, Governor, State Auditor and Legislative Reference Library.

   The State Auditor shall verify the certified enrollment data submitted to the agencies listed above as part of the audit of the Texas State Technical College.

   The Texas State Technical College shall offer only such courses as are economically justified in the considered judgment of the Board of Regents. The Board of Regents shall adopt policies specifying the conditions under which classes of less than 10 students by headcount are to be considered necessary and justifiable. The Board of Regents shall direct the chancellor or other officials to review enrollment data prior to the designated Coordinating Board census date and take all necessary actions to ensure that the small classes offered on each campus are only those that conform with established policies on small classes. Each school term, each campus shall prepare for submission to the Board of Regents a small class report showing the department, course number, title of course and the name of the instructor. The Board of Regents shall review enrollment reports certified to the Comptroller of Public Accounts, the campus small

class reports and other enrollment records as necessary to ensure that the classes offered are economically justified and are in compliance with Board of Regents' policy.

4. **Certification of Compliance.** Expenditure of the funds appropriated hereinabove is contingent upon annual certification by the chancellor of the Texas State Technical College to the Comptroller of Public Accounts that the Texas State Technical College is in compliance with these provisions regarding budgets, accounting procedures and enrollment.

5. **Approved Geographic Locations.** None of the funds appropriated above to the Texas State Technical College shall be expended in promoting, developing or creating a campus or extension center at any other location in the state except as specified in Education Code § 135.02.

6. **Temporary Special Courses.** Out of funds appropriated by contact hour generation hereinabove to the Texas State Technical College in pre-apprenticeship, related training for apprentices and specialized training for journeymen and compensatory training for pre-apprenticeship and apprenticeship enrollees, and plant expansion and new plant start-up training program no more than $50,000 per year may be spent wherever the need exists within the state in conjunction with curriculum approval by the Texas Higher Education Coordinating Board. Such expenditure of funds for these special courses are temporary in nature and outside the provision of Education Code § 135.04.

7. **Aircraft Pilot Training Programs.** Funds may be used for the operation, maintenance or lease of aircraft for use in the Aircraft Pilot Training programs subject to the requirement that excess costs of flight instruction be recovered by an assessment of charge to student pilots. This income shall be separately accounted for and credited as a reduction in expenditure in the Aircraft Pilot Training Program.

8. **Approval of Plans by Foundations.** Any use of the Texas State Technical College's assets or facilities including, but not limited to, buildings, equipment or employees by existing foundations or for the promotion of foundations shall require prior approval of the Board of Regents. Approval is contingent upon receipt by the Board of Regents of a satisfactory annual plan of operation. At a minimum, this plan must specify the proposed use of any Texas State Technical College facilities, equipment, and personnel; payments made directly to Texas State Technical College personnel for services provided or expenses incurred; and donations of funds to the Texas State Technical College for designated purposes. All funds donated by foundations to the Texas State Technical College shall be received and accounted for in the same manner as all other Texas State Technical College funds. After Board of Regents approval, the plan shall be filed with the Legislative Budget Board.

9. **Audit of Base Contact Hours.** The hours used in the contact hour base period to fund Texas State Technical College are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board, and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium.

10. **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount NTE $63,654 in 2004 and $63,654 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount NTE $7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

11. **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount NTE $70,231 in 2004 and $70,231 in 2005 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

12. **Flight Log Reporting Requirements.** Texas State Technical College shall provide the following travel log information about a state-operated aircraft each time the aircraft is flown:

    a. a mission statement, which may appear as a selection to be identified from general categories appearing on the form;

    b. the name, state agency represented, destination, and signature of each person who is a passenger or crew member of the aircraft;

    c. the date of each flight;

    d. a detailed and specific description of the official business purpose of each flight; and

    e. other information determined by the Legislative Budget Board and the board to be necessary to monitor the proper use of the aircraft.

## TEXAS AGRICULTURAL EXPERIMENT STATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** AGRICULTURAL/LIFE SCIENCES RESEARCH<br>To create and apply knowledge through research to serve society with productive and sustainable environmental, natural resources and agricultural systems. | | |
| **Outcome (Results/Impact):** | | |
| Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Livestock Research | 2% | 2% |
| **A.1.1. Strategy:** AGRICULTURAL/LIFE SCIENCES RESEARCH<br>Conduct agricultural and life sciences research to ensure the Texas agricultural system is highly competitive in the global economy and provides a secure food and fiber system. | $ 50,639,963 | $ 50,628,715 |
| **Output (Volume):** | | |
| Number of Refereed Publications | 1,744 | 1,744 |
| **Explanatory:** | | |
| Amount of External Sponsor Support | 40,950,000 | 40,950,000 |

## TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** REGULATORY SERVICES | | | | |
| To provide regulatory services that are fair to the industry and protect the interests of consumers. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent Change in Number of European Honey Bee Certificates Issued | | 2% | | 2% |
| **B.1.1. Strategy:** HONEY BEE REGULATION | $ | 262,744 | $ | 262,744 |
| Control diseases and other pests of EHB, reduce the impact of AHB through timely monitoring, regulatory/containment provisions, and respond to public needs. | | | | |
| **Output (Volume):** | | | | |
| Number of Bee Colonies Inspected | | 47,250 | | 47,250 |
| Number of Apiaries Inspected | | 236 | | 236 |
| **B.2.1. Strategy:** FEED AND FERTILIZER PROGRAM | $ | 3,250,527 | $ | 3,250,527 |
| Monitor and evaluate products distributed in the state. | | | | |
| **Output (Volume):** | | | | |
| Number of Feed and Fertilizer Samples Assigned to the Feed and Fertilizer Control Service Field Personnel | | 7,717 | | 7,717 |
| Number of Feed and Fertilizer Samples Analyzed by the Agricultural Analytical Services Laboratory | | 7,875 | | 7,875 |
| **Total, Goal B:** REGULATORY SERVICES | $ | 3,513,271 | $ | 3,513,271 |
| **C. Goal:** STAFF BENEFITS | | | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | | | |
| **C.1.1. Strategy:** STAFF GROUP INSURANCE | $ | 624,000 | $ | 624,000 |
| Provide funding for staff group insurance premiums. | | | | |
| **C.1.2. Strategy:** WORKERS' COMP INSURANCE | $ | 241,299 | $ | 241,299 |
| Provide funding for workers' compensation insurance. | | | | |
| **C.1.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 20,289 | $ | 20,289 |
| Provide funding for unemployment insurance. | | | | |
| **C.1.4. Strategy:** OASI | $ | 412,700 | $ | 412,700 |
| Provide funding for OASI. | | | | |
| **Total, Goal C:** STAFF BENEFITS | $ | 1,298,288 | $ | 1,298,288 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 3,651,343 | $ | 3,651,343 |
| **D.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 6,496,927 | $ | 6,496,927 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 10,148,270 | $ | 10,148,270 |
| **Grand Total,** TEXAS AGRICULTURAL EXPERIMENT STATION | $ | 65,599,792 | $ | 65,588,544 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 53,589,522 | $ | 53,589,524 |
| General Revenue Fund - Dedicated | | | | |
| Clean Air Account No. 151 | | 500,000 | | 500,000 |
| Agricultural Soil and Water Conservation Account No. 563 | | 41,250 | | 30,000 |
| Research-related Indirect Cost Recovery, estimated | | 275,000 | | 275,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 816,250 | $ | 805,000 |
| Federal Funds | | 6,455,093 | | 6,455,093 |

## TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Feed Control Fund - Local No. 058, estimated | | 2,345,424 | | 2,345,424 |
| Sales Funds - Agricultural Experiment Station, estimated | | 1,046,000 | | 1,046,000 |
| Fertilizer Control Fund, estimated | | 1,347,503 | | 1,347,503 |
| Subtotal, Other Funds | $ | 4,738,927 | $ | 4,738,927 |
| **Total, Method of Financing** | $ | 65,599,792 | $ | 65,588,544 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,317.0 | | 1,317.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 27,236,569 | $ | 27,236,569 |
| Other Personnel Costs | | 1,995,700 | | 1,995,700 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 16,412,381 | | 16,412,381 |
| Operating Costs | | 19,955,142 | | 19,943,894 |
| **Total, Object-of-Expense Informational Listing** | $ | 65,599,792 | $ | 65,588,544 |

1. **Unexpended Balances, TAES Current Fund.** Any balances remaining as of August 31, 2003 in Texas Agricultural Experiment Station Current Fund No. 240 and all revenues received during the biennium beginning September 1, 2003 are hereby appropriated to Texas Agricultural Experiment Station.

2. **Buffalo Gnat.** Out of the funds appropriated above, up to $10,000 in General Revenue Funds in each year of the biennium shall be used for buffalo gnat eradication.

3. **Limited Waiver from Proportionality Provision.** The Texas Agricultural Experiment Station is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Hatch Act and the McIntire-Stennis Act.

4. **Equine Research Account.** Pursuant to Revised Texas Civil Statutes Annotated, art. 179e, § 6.08(h), income from the Equine Research Account is hereby appropriated to the Texas Agricultural Experiment Station for support of the Equine Research Program.

5. **Agriculture Registration Fees.** Included in the appropriations above are fees collected in each year of the biennium beginning September 1, 2003, pursuant to § 131.046, Texas Agriculture Code, from the General Revenue Fund (Revenue Object Code 3410) to the Texas Agricultural Experiment Station for the Honey Bee Disease Program.

6. **Environmental Quality Research.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, a biennial amount of $600,000 shall be used to fund air quality research related to livestock production conducted at the Texas Agricultural Experiment Station in Amarillo, Texas.

## TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

7. **Contingent Upon Comptroller Certification: Texas State Data Center.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Science Research, $150,000 in fiscal year 2004 and $150,000 in fiscal year 2005 are appropriated from the General Revenue Fund for the operation of the Texas State Data Center in the Department of Rural Sociology in the Texas Agriculture Experiment Station, contingent upon certification by the Comptroller of Public Accounts that increased activity resulting from the work of the Texas State Data Center will generate at least $300,000 for the biennium in additional revenue to the General Revenue Fund.

## TEXAS COOPERATIVE EXTENSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** HEALTH AND SAFETY EDUCATION | | |
| To educate Texans to take more responsibility for improving their health, safety, productivity, and well-being. | | |
| **Outcome (Results/Impact):** | | |
| Educational Program Index Attainment | 80 | 80 |
| **A.1.1. Strategy:** HEALTH AND SAFETY EDUCATION | $ 9,687,796 | $ 9,687,796 |
| Conduct educational programs related to nutrition, food safety, dependent care, and safe agricultural, home, and workplace environments. | | |
| **Output (Volume):** | | |
| Direct Teaching Exposures | 1,535,000 | 1,535,000 |
| **Efficiencies:** | | |
| Average Cost Per Educational Contact | 3.7 | 3.7 |
| **B. Goal:** ENVIRONMENTAL EDUCATION | | |
| To educate citizens to improve their stewardship of the environment and Texas' natural resources. | | |
| **Outcome (Results/Impact):** | | |
| Educational Program Index Attainment | 80 | 80 |
| **B.1.1. Strategy:** ENVIRONMENTAL EDUCATION | $ 10,551,544 | $ 10,540,294 |
| Conduct educational programs to protect and maintain Texas' land and water ecosystems. | | |
| **Output (Volume):** | | |
| Direct Teaching Exposures | 1,368,000 | 1,368,000 |
| **Efficiencies:** | | |
| Average Cost Per Educational Contact | 3.2 | 3.2 |
| **C. Goal:** ECONOMIC COMPETITIVENESS | | |
| To enable Texans to make decisions that contribute to their economic security and to the state's economic prosperity. | | |
| **Outcome (Results/Impact):** | | |
| Educational Program Index Attainment | 80 | 80 |
| **C.1.1. Strategy:** ECONOMIC COMPETITIVENESS | $ 21,391,405 | $ 21,391,405 |
| Conduct educational programs that contribute to the economic competitiveness of agricultural producers, the economic viability of rural communities, and the economic stability of individuals and families. | | |
| **Output (Volume):** | | |
| Direct Teaching Exposures | 2,302,600 | 2,302,600 |
| **Efficiencies:** | | |
| Economic Impact Per Dollar Invested | 472 | 472 |
| **D. Goal:** LEADERSHIP DEVELOPMENT | | |
| To foster the development of responsible, productive, and self-motivated youth and adults. | | |

# TEXAS COOPERATIVE EXTENSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Educational Program Index Attainment | | 80 | | 80 |
| **D.1.1. Strategy:** LEADERSHIP DEVELOPMENT | $ | 12,485,489 | $ | 12,485,489 |
| Teach the principles of leadership development to both youth and adults and provide opportunities for youth to learn life skills and enhance career development. | | | | |
| **Output (Volume):** | | | | |
| Direct Teaching Exposures | | 3,818,500 | | 3,818,500 |
| **Efficiencies:** | | | | |
| Average Cost Per Educational Contact | | 2.7 | | 2.7 |
| **E. Goal:** COUNTY EXTENSION AGENT SUPPORT | | | | |
| To support County Extension Agents in recognition for their service to Texas. | | | | |
| **E.1.1. Strategy:** COUNTY EXTENSION AGENT SALARIES | $ | 726,720 | $ | 726,720 |
| County Extension Agent salary increase. | | | | |
| **F. Goal:** STAFF BENEFITS | | | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | | | |
| **F.1.1. Strategy:** STAFF GROUP INSURANCE | $ | 774,251 | $ | 774,251 |
| Provide funding for staff group insurance premiums. | | | | |
| **F.1.2. Strategy:** WORKERS' COMP INSURANCE | $ | 180,000 | $ | 180,000 |
| Provide funding for workers' compensation insurance. | | | | |
| **F.1.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 8,000 | $ | 8,000 |
| Provide funding for unemployment insurance. | | | | |
| **F.1.4. Strategy:** OASI | $ | 283,000 | $ | 283,000 |
| Provide funding for OASI. | | | | |
| **Total, Goal F:** STAFF BENEFITS | $ | 1,245,251 | $ | 1,245,251 |
| **G. Goal:** INDIRECT ADMINISTRATION | | | | |
| **G.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 1,814,004 | $ | 1,814,004 |
| **G.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 1,115,227 | $ | 1,115,227 |
| **Total, Goal G:** INDIRECT ADMINISTRATION | $ | 2,929,231 | $ | 2,929,231 |
| **Grand Total,** TEXAS COOPERATIVE EXTENSION | $ | 59,017,436 | $ | 59,006,186 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 41,496,035 | $ | 41,496,035 |
| GR Dedicated - Agricultural Soil and Water Conservation Account No. 563 | | 41,250 | | 30,000 |
| Federal Funds | | 9,982,462 | | 9,982,462 |
| Other Funds | | | | |
| County Funds - Extension Programs Fund, estimated | | 6,876,263 | | 6,876,263 |
| Interagency Contracts | | 621,426 | | 621,426 |
| Subtotal, Other Funds | $ | 7,497,689 | $ | 7,497,689 |
| **Total, Method of Financing** | $ | 59,017,436 | $ | 59,006,186 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 1,073.2 | | 1,073.2 |

## TEXAS COOPERATIVE EXTENSION
(Continued)

| | | |
|---|---|---|
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 10,327,413 | $ 10,327,413 |
| Other Personnel Costs | 3,278,271 | 3,278,271 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 12,281,136 | 12,281,136 |
| Professional Salaries - Extension (Texas Agricultural Extension Svc) | 22,303,473 | 22,303,473 |
| Operating Costs | 10,827,143 | 10,815,893 |
| **Total, Object-of-Expense Informational Listing** | $ 59,017,436 | $ 59,006,186 |

1. **Integrated Pest Management.** Out of the funds appropriated above, $49,365 in each year of the biennium is for contracting with the Texas Pest Management Association for pest management. No more than 10 percent of these funds shall be used by the Texas Cooperative Extension for administering the program.

2. **Limited Waiver from Proportionality Provision.** For the purpose of determining proportional payments of retirement and group insurance benefits for the Texas Cooperative Extension, as required in this Act, County Funds paid directly by County Commissioners Courts shall be considered as General Revenue Funds. The Texas Cooperative Extension is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.

3. **Increased Inter-agency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.

4. **Quail Management.** Out of the funds appropriated above, $125,000 in fiscal year 2004 and $125,000 in fiscal year 2005 shall be used for education outreach programs, restoration of habitat and quail research for the purpose of promoting appropriate management practices.

5. **Youth Development Programs in Urban Areas.** It is the intent of the Legislature that the Texas Cooperative Extension, in addition to providing ongoing programs for rural residents, shall place greater emphasis on providing community leadership development education programming, targeting (but not limited to) youth residing in urban areas.

## TEXAS ENGINEERING EXPERIMENT STATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENGINEERING RESEARCH<br>To conduct basic and applied research in engineering and related fields which addresses critical state and national issues, supports industrial and public systems, enhances higher education and promotes economic development. | | |
| **Outcome (Results/Impact):** | | |
| Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds) | 12.1 | 12.1 |

# TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

| | | | | |
|---|---|---|---|---|
| Total Dollar Volume of Research (Millions) | | 94 | | 94.5 |
| Number of Formal License Agreements | | 7 | | 7 |
| **A.1.1. Strategy:** RESEARCH DIVISIONS | $ | 38,591,853 | $ | 38,595,048 |
| Develop and support disciplinary and cross-disciplinary research programs, centers, institutes, and new initiatives. | | | | |
| **Output (Volume):** | | | | |
| Dollar Volume of Research (Millions) | | 61.95 | | 62.16 |
| Number of Research Projects | | 3,368 | | 3,377 |
| **A.1.2. Strategy:** MULTI-INSTITUTIONAL OUTREACH | $ | 20,803,453 | $ | 20,803,453 |
| Collaborate with academic institutions in Texas, the nation and elsewhere in research and development activities and provide research and grant writing outreach across the State. | | | | |
| **Output (Volume):** | | | | |
| Number of Collaborative Initiatives | | 1,092 | | 1,092 |
| Dollar Volume of Activities (Millions) | | 22.05 | | 22.16 |
| **A.2.1. Strategy:** TECHNOLOGY TRANSFER | $ | 714,815 | $ | 714,815 |
| Provide intellectual property assistance to the research programs for commercial application. | | | | |
| **Output (Volume):** | | | | |
| Number of Patent Applications | | 56 | | 58 |
| **A.3.1. Strategy:** EDUCATIONAL PROGRAMS | $ | 1,057,249 | $ | 1,057,249 |
| Provide programs and opportunities for the participation of students, especially minorities and women, in research and education programs. | | | | |
| **Output (Volume):** | | | | |
| Number of Students from Underrepresented Groups Participating in Agency Activities | | 4,305 | | 4,305 |
| **Total, Goal A:** ENGINEERING RESEARCH | $ | 61,167,370 | $ | 61,170,565 |
| **B. Goal:** STAFF BENEFITS | | | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | | | |
| **B.1.1. Strategy:** STAFF GROUP INSURANCE | $ | 3,975,335 | $ | 3,975,335 |
| Provide funding for staff group insurance premiums. | | | | |
| **B.1.2. Strategy:** WORKERS' COMP INSURANCE | $ | 194,084 | $ | 194,084 |
| Provide funding for workers' compensation insurance. | | | | |
| **B.1.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 23,390 | $ | 23,390 |
| Provide funding for unemployment insurance. | | | | |
| **B.1.4. Strategy:** OASI | $ | 1,082,820 | $ | 1,082,820 |
| Provide funding for OASI. | | | | |
| **B.1.5. Strategy:** OPTIONAL RETIREMENT PROGRAM | $ | 68,276 | $ | 68,276 |
| Optional Retirement Program Differential. | | | | |
| **Total, Goal B:** STAFF BENEFITS | $ | 5,343,905 | $ | 5,343,905 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 4,246,803 | $ | 4,246,805 |
| **C.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 3,456,594 | $ | 3,456,594 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 7,703,397 | $ | 7,703,399 |
| **Grand Total,** TEXAS ENGINEERING EXPERIMENT STATION | $ | 74,214,672 | $ | 74,217,869 |

**Method of Financing:**

## TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 12,350,121 | $ | 12,350,123 |
| General Revenue Fund - Dedicated | | | | |
| Research-related Indirect Cost Recovery, estimated | | 3,901,332 | | 3,901,332 |
| Texas Emissions Reduction Plan Account No. 5071 | | 160,515 | | 163,710 |
| Subtotal, General Revenue Fund - Dedicated | $ | 4,061,847 | $ | 4,065,042 |
| Federal Funds | | 38,694,179 | | 38,694,179 |
| Other Funds | | | | |
| Interagency Contracts | | 3,159,653 | | 3,159,653 |
| Other Funds, estimated | | 15,948,872 | | 15,948,872 |
| Subtotal, Other Funds | $ | 19,108,525 | $ | 19,108,525 |
| **Total, Method of Financing** | $ | 74,214,672 | $ | 74,217,869 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 711.4 | | 711.4 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 24,939,916 | $ | 24,939,918 |
| Other Personnel Costs | | 2,065,019 | | 2,065,019 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | | 9,772,322 | | 9,772,322 |
| Operating Costs | | 5,162,815 | | 5,162,815 |
| Professional Fees and Services | | 3,556,425 | | 3,556,425 |
| Fuels and Lubricants | | 3,458 | | 3,458 |
| Consumable Supplies | | 310,595 | | 310,595 |
| Utilities | | 207,417 | | 207,417 |
| Travel | | 1,340,333 | | 1,340,333 |
| Rent - Building | | 29,681 | | 29,681 |
| Rent - Machine and Other | | 89,372 | | 89,372 |
| Other Operating Expense | | 22,409,217 | | 22,412,412 |
| Client Services | | 187,475 | | 187,475 |
| Client Services | | 1,240,627 | | 1,240,627 |
| Capital Expenditures | | 2,900,000 | | 2,900,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 74,214,672 | $ | 74,217,869 |

1. **Offshore Technology Research Center.** Out of the funds appropriated above in Strategy A.1.1, Research Divisions, $232,984 in fiscal year 2004 and $232,984 in fiscal year 2005 is for the purpose of supporting the Offshore Technology Research Center.

# TEXAS TRANSPORTATION INSTITUTE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** TRANSPORTATION RESEARCH | | |
| To identify and solve transportation research problems, to disseminate the results, and to enhance the relevance and quality of transportation education in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Total Dollar Volume of Research | 31,310,874 | 31,927,115 |
| Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds) | 12.4 | 12.4 |
| **A.1.1. Strategy:** SPONSORED RESEARCH | $ 23,673,182 | $ 24,136,780 |
| Submit research proposals and develop programs to secure funded contracts from sources, including: TxDOT, USDOT, and other state and federal agencies, other states, regional and local governments, and private sector entities and to support transportation-related educational programs within the Texas A&M University System and other Texas university systems. | | |
| **Output (Volume):** | | |
| Number of TTI Patented Safety Devices Installed | 250,000 | 260,000 |
| Number of Students Involved in TTI Education and Research Activities | 175 | 175 |
| Dollar Volume of Research | 26,171,757 | 26,695,193 |
| **A.1.2. Strategy:** NATIONAL CENTERS | $ 3,983,616 | $ 4,053,288 |
| Submit research proposals and develop programs within the National Centers to enhance and promote advanced transportation-related educational and research programs within the Texas A&M University System and other Texas university systems. | | |
| **Output (Volume):** | | |
| Number of Students Involved in TTI Education and Research Activities | 37 | 38 |
| Dollar Volume of Research | 4,640,366 | 4,733,173 |
| **Total, Goal A:** TRANSPORTATION RESEARCH | $ 27,656,798 | $ 28,190,068 |
| **B. Goal:** STAFF BENEFITS | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | |
| **B.1.1. Strategy:** STAFF GROUP INSURANCE | $ 1,672,110 | $ 1,772,437 |
| Provide funding for staff group insurance premiums. | | |
| **B.1.2. Strategy:** WORKERS' COMP INSURANCE | $ 102,153 | $ 104,196 |
| Provide funding for workers' compensation insurance. | | |
| **B.1.3. Strategy:** UNEMPLOYMENT INSURANCE | $ 17,728 | $ 18,083 |
| Provide funding for unemployment insurance. | | |
| **B.1.4. Strategy:** OASI | $ 1,121,786 | $ 1,144,241 |
| Provide funding for OASI. | | |
| **Total, Goal B:** STAFF BENEFITS | $ 2,913,777 | $ 3,038,957 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 2,409,670 | $ 2,466,289 |
| **C.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ 1,386,450 | $ 1,386,450 |

## TEXAS TRANSPORTATION INSTITUTE
(Continued)

| | | | | |
|---|---|---|---|---|
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 3,796,120 | $ | 3,852,739 |
| **Grand Total,** TEXAS TRANSPORTATION INSTITUTE | $ | 34,366,695 | $ | 35,081,764 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 4,582,694 | $ | 4,584,886 |
| GR Dedicated - Research Related Indirect Cost Recovery Account No. 008, estimated | | 1,465,592 | | 1,511,970 |
| Federal Funds | | 3,198,073 | | 3,279,359 |
| Other Funds | | | | |
| Appropriated Receipts | | 6,403,260 | | 6,615,950 |
| Interagency Contracts | | 18,217,076 | | 18,589,599 |
| State Highway Fund No. 006 | | 500,000 | | 500,000 |
| Subtotal, Other Funds | $ | 25,120,336 | $ | 25,705,549 |
| **Total, Method of Financing** | $ | 34,366,695 | $ | 35,081,764 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 411.7 | | 413.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 20,011,717 | $ | 20,403,873 |
| Other Personnel Costs | | 2,271,936 | | 2,316,808 |
| Operating Costs | | 11,540,089 | | 11,807,271 |
| Capital Expenditures | | 542,953 | | 553,812 |
| **Total, Object-of-Expense Informational Listing** | $ | 34,366,695 | $ | 35,081,764 |

1. **Transportation Safety Center.** Out of State Highway Fund No. 006, $500,000 in fiscal year 2004 and $500,000 in fiscal year 2005 shall be used to fund the Transportation Safety Center to conduct research, education, and technology transfer to improve the safety of Texas' roads and highways.

2. **Center for International Intelligent Transportation Research.** Out of funds appropriated, it is the intent of the Legislature that the Texas Transportation Institute shall develop a plan by January 1, 2004 to establish the Center for International Intelligent Transportation Research. The Center will identify critical cross-border transportation issues, conduct research, propose solutions that will improve the transportation environment in the El Paso area, and enhance the efficient, safe and secure movement of people and goods across the United States borders.

# TEXAS ENGINEERING EXTENSION SERVICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE TRAINING | | |
| To provide basic and advanced training, technology transfer activities and technical assistance on a statewide basis to meet the needs of governmental and industrial employees. The emphasis on technical training and assistance activities will ensure a qualified and competent workforce for the future. | | |
| **Outcome (Results/Impact):** | | |
| Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds) | 10 | 10 |
| **A.1.1. Strategy:** PUBLIC SECTOR TRAINING | $ 36,385,551 | $ 37,545,660 |
| Provide training for the public sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division. | | |
| **Output (Volume):** | | |
| Number of Student Contact Hours | 1,328,250 | 1,328,250 |
| **Efficiencies:** | | |
| Average Number of Student Contact Hours Per Full-time Instructor | 16,092 | 16,092 |
| **A.1.2. Strategy:** INDUSTRIAL SECTOR TRAINING | $ 6,493,730 | $ 6,681,797 |
| Provide training for the industrial sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division. | | |
| **Efficiencies:** | | |
| Average Number of Student Contact Hours Per Full-time Instructor | 10,998 | 10,998 |
| **Total, Goal A:** PROVIDE TRAINING | $ 42,879,281 | $ 44,227,457 |
| **B. Goal:** TECHNOLOGY TRANSFER ASSISTANCE | | |
| To provide special instructions, technology transfer activities and technical assistance on a statewide basis to special population groups. | | |
| **B.1.1. Strategy:** TECHNOLOGY TRANSFER | $ 6,188,706 | $ 6,188,713 |
| Operate an efficient technology transfer program through direct services, interactive electronic media, and database search activities. | | |
| **Output (Volume):** | | |
| Number of Initiatives with Communities and Businesses | 2,573 | 2,573 |
| **Efficiencies:** | | |
| Number of Clients Served Per Service Delivery FTE | 88 | 88 |
| **B.1.2. Strategy:** PRE-EMPLOYMENT TRAINING | $ 1,382,173 | $ 1,422,208 |
| Operate a pre-employment training program. | | |
| **Efficiencies:** | | |
| Average Number of Student Contact Hours Per Full-time Instructor | 6,825 | 6,825 |
| **Total, Goal B:** TECHNOLOGY TRANSFER ASSISTANCE | $ 7,570,879 | $ 7,610,921 |
| **C. Goal:** STAFF BENEFITS | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | |

| | | | | |
|---|---|---|---|---|
| **C.1.1. Strategy:** STAFF GROUP INSURANCE<br>Provide funding for staff group insurance premiums. | $ | 2,049,058 | $ | 2,049,059 |
| **C.1.2. Strategy:** WORKERS' COMPENSATION INSURANCE<br>Provide funding for workers' compensation insurance. | $ | 115,904 | $ | 115,905 |
| **C.1.3. Strategy:** UNEMPLOYMENT INSURANCE<br>Provide funding for unemployment insurance. | $ | 42,268 | $ | 42,268 |
| **C.1.4. Strategy:** OASI<br>Provide funding for OASI. | $ | 1,465,805 | $ | 1,465,805 |
| **Total, Goal C:** STAFF BENEFITS | $ | 3,673,035 | $ | 3,673,037 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 6,055,735 | $ | 6,055,742 |
| **D.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 987,612 | $ | 987,612 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 7,043,347 | $ | 7,043,354 |
| **Grand Total,** TEXAS ENGINEERING EXTENSION SERVICE | $ | 61,166,542 | $ | 62,554,769 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 6,216,156 | $ | 6,315,375 |
| Extension-related Indirect Cost Recovery, estimated | | 4,279,571 | | 4,387,517 |
| Federal Funds | | 18,802,583 | | 19,188,391 |
| Other Funds | | | | |
| Appropriated Receipts | | 26,192,009 | | 26,829,954 |
| Interagency Contracts | | 5,676,223 | | 5,833,532 |
| Subtotal, Other Funds | $ | 31,868,232 | $ | 32,663,486 |
| **Total, Method of Financing** | $ | 61,166,542 | $ | 62,554,769 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 495.5 | | 495.5 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 22,119,986 | $ | 22,119,989 |
| Other Personnel Costs | | 2,658,757 | | 2,658,761 |
| Operating Costs | | 34,799,008 | | 36,187,226 |
| Capital Expenditures | | 1,588,791 | | 1,588,793 |
| **Total, Object-of-Expense Informational Listing** | $ | 61,166,542 | $ | 62,554,769 |

1. **Increased Interagency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement, and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.

2. **Pay for Regular Compensatory Time.** The Texas Cooperative Extension Service, notwithstanding any other provision of law, may pay its FSLA-exempt employees on a straight-line basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with a state or federal activation and when the taking of regular compensatory time off would be disruptive to normal business functions.

# TEXAS FOREST SERVICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** DEVELOP FOREST RESOURCES<br>To assure maximum development of the forest and tree resources throughout Texas and protect human life, the total forest environment and other rural lands and property from damage by wildfire, forest insects, diseases and other natural and man-caused factors. | | |
| **Outcome (Results/Impact):** | | |
| Saved-to-lost Ratio of Resource and Property Values from Wildfire | 5.1 | 5.1 |
| Number of Trees Saved from Spread of Oak Wilt Disease | 33,500 | 33,500 |
| Number of Acres Protected through Windbreak Plantings | 10,000 | 10,000 |
| **A.1.1. Strategy:** WILDFIRE AND EMERGENCY PROGRAM<br>Provide statewide leadership for an effective forest and rural land wildfire prevention, detection, and suppression program and emergency response management. | $ 24,558,131 | $ 24,558,132 |
| **Output (Volume):** | | |
| Number of Community Assists | 2,800 | 2,800 |
| Number of Contact Hours of Firefighter Training | 35,700 | 35,700 |
| Number of Hours Spent for Emergency Response | 27,300 | 27,300 |
| **A.1.2. Strategy:** FOREST INSECTS AND DISEASES<br>Provide statewide leadership in the early detection, landowner notification, and control of major forest and tree insects and diseases. | $ 1,033,593 | $ 1,033,594 |
| **Output (Volume):** | | |
| Number of Property Owners Provided with Oak Wilt Information | 6,300 | 6,300 |
| **A.2.1. Strategy:** FORESTRY LEADERSHIP<br>Provide professional forestry leadership and markets for nonindustrial private forest resources. | $ 5,293,716 | $ 5,293,716 |
| **Output (Volume):** | | |
| Number of Acres of Reforestation on Nonindustrial Private Forestland in East Texas | 45,150 | 45,150 |
| Number of Resource Development Assists | 4,133 | 4,133 |
| **A.2.2. Strategy:** ENVIRONMENTAL ENHANCEMENT<br>Provide statewide leadership in environmental enhancement through management and conservation of tree and forest resources. | $ 1,896,287 | $ 1,896,287 |
| **Output (Volume):** | | |
| Number of Community Assists | 420 | 420 |
| Number of Windbreak Seedlings Planted | 220,000 | 220,000 |
| **Total, Goal A:** DEVELOP FOREST RESOURCES | $ 32,781,727 | $ 32,781,729 |
| **B. Goal:** STAFF BENEFITS<br>To provide staff benefits to eligible employees and retirees pursuant to state law. | | |
| **B.1.1. Strategy:** STAFF GROUP INSURANCE<br>Provide funding for staff group insurance premiums. | $ 604,270 | $ 604,270 |
| **B.1.2. Strategy:** WORKERS' COMP INSURANCE<br>Provide funding for workers' compensation insurance. | $ 57,330 | $ 57,330 |
| **B.1.3. Strategy:** UNEMPLOYMENT INSURANCE<br>Provide funding for unemployment insurance. | $ 11,466 | $ 11,466 |
| **B.1.4. Strategy:** OASI<br>Provide funding for OASI. | $ 263,144 | $ 263,144 |

| | | | | |
|---|---|---|---|---|
| **B.1.5. Strategy:** HAZARDOUS DUTY PAY<br>Provide funding for hazardous duty pay. | $ | 8,500 | $ | 8,500 |
| **Total, Goal B:** STAFF BENEFITS | $ | 944,710 | $ | 944,710 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 2,099,289 | $ | 2,099,289 |
| **C.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 386,702 | $ | 386,702 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 2,485,991 | $ | 2,485,991 |
| **Grand Total,** TEXAS FOREST SERVICE | $ | 36,212,428 | $ | 36,212,430 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 12,155,979 | $ | 12,155,981 |
| General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees | | 3,325,000 | | 3,325,000 |
| Subtotal, General Revenue Fund | $ | 15,480,979 | $ | 15,480,981 |
| General Revenue Fund - Dedicated | | | | |
| Volunteer Fire Department Assistance Account No. 5064 | | 15,000,000 | | 15,000,000 |
| Rural Volunteer Fire Department Insurance Account No. 5066, estimated | | 434,000 | | 434,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 15,434,000 | $ | 15,434,000 |
| Federal Funds | | 3,536,199 | | 3,536,199 |
| Appropriated Receipts | | 1,761,250 | | 1,761,250 |
| **Total, Method of Financing** | $ | 36,212,428 | $ | 36,212,430 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 357.0 | | 357.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 12,943,263 | $ | 12,943,264 |
| Other Personnel Costs | | 1,064,779 | | 1,064,779 |
| Operating Costs | | 673,066 | | 673,066 |
| Professional Fees and Services | | 87,292 | | 87,292 |
| Fuels and Lubricants | | 414,662 | | 414,662 |
| Consumable Supplies | | 776,751 | | 776,751 |
| Utilities | | 665,042 | | 665,042 |
| Travel | | 404,930 | | 404,930 |
| Rent - Building | | 596,929 | | 596,929 |
| Rent - Machine and Other | | 308,478 | | 308,478 |
| Other Operating Expense | | 3,438,432 | | 3,438,433 |
| Client Services | | 110,601 | | 110,601 |
| Grants | | 14,720,251 | | 14,720,251 |
| Capital Expenditures | | 7,952 | | 7,952 |
| **Total, Object-of-Expense Informational Listing** | $ | 36,212,428 | $ | 36,212,430 |

1. **Overtime Payments, Contingency.** Included in the appropriation above, $335,223 for each year of the biennium is for the sole purpose of paying mandatory overtime expenses of non-exempt employees of the Texas Forest Service when such overtime is incurred in

emergency response activities. It is further provided that payments from this appropriation shall be made only upon overtime payroll vouchers submitted to the State Comptroller. Any balances remaining as of August 31, 2003 are hereby appropriated for the same purpose for the biennium beginning September 1, 2003, and balances remaining as of August 31, 2004 are hereby appropriated for fiscal year 2005.

2. **Texas Wildfire Protection Plan.** Contingent upon available revenue, out of the funds appropriated above in Strategy A.1.1, Wildfire and Emergency Program, $3,800,000 from the Insurance Companies Maintenance Tax in each year of the biennium shall be used for the Texas Wildfire Protection Plan.

3. **Pay for Regular Compensatory Time.** The Texas Forest Service, notwithstanding any other provisions of law, may pay its FLSA exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with an emergency and when the taking of regular compensatory time off would be disruptive to normal business functions.

## TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** WILDLIFE DAMAGE MANAGEMENT<br>To protect the resources, property, and well-being of Texans from damage caused by or related to the activities of wildlife species. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Texas Counties Receiving Direct Wildlife Damage Management Assistance | 83% | 83% |
| Percent of Texas Counties Receiving Zoonosis Monitoring Assistance | 31% | 31% |
| Percent of Texas Counties Receiving Wildlife Damage Management Technical Assistance | 86% | 86% |
| **A.1.1. Strategy:** DIRECT CONTROL ASSISTANCE<br>To provide operational direct control assistance on a cooperative basis for the protection of resources and human health. | $ 3,145,788 | $ 3,144,019 |
| **Output (Volume):** | | |
| Number of Specimen Samples Taken for Zoonosis Monitoring | 5,366 | 5,366 |
| Number of Properties Provided Wildlife Damage Management Assistance | 5,685 | 5,685 |
| **A.2.1. Strategy:** TECHNICAL ASSISTANCE<br>To provide the general public with a consistent source of technical assistance and information on the proper handling of specific wildlife problems and education concerning the necessity for wildlife damage management. | $ 318,320 | $ 319,912 |
| **Output (Volume):** | | |
| Number of Technical Assistance Projects (i.e., Personal, Phone, and Written Consultations) Conducted | 8,400 | 8,400 |
| **Total, Goal A:** WILDLIFE DAMAGE MANAGEMENT | $ 3,464,108 | $ 3,463,931 |

**B. Goal:** STAFF BENEFITS
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.

## TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** WORKERS' COMP INSURANCE<br>Provide funding for workers' compensation insurance. | $ | 12,600 | $ | 12,777 |
| **Grand Total,** TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE | $ | 3,476,708 | $ | 3,476,708 |
| **Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds** | | 89.7 | | 89.7 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,765,347 | $ | 2,796,906 |
| Other Personnel Costs | | 75,365 | | 78,725 |
| Operating Costs | | 12,600 | | 12,777 |
| Fuels and Lubricants | | 66,153 | | 66,808 |
| Consumable Supplies | | 13,977 | | 14,130 |
| Utilities | | 8,484 | | 8,569 |
| Travel | | 313,833 | | 279,005 |
| Rent - Building | | 10,845 | | 10,954 |
| Rent - Machine and Other | | 3,434 | | 3,494 |
| Other Operating Expense | | 206,670 | | 205,340 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,476,708 | $ | 3,476,708 |

## TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** DIAGNOSTIC AND DRUG TESTING<br>To continue to provide a high-quality veterinary diagnostic service, drug testing, export testing and disease surveillance program to the animal industries. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Number of Diagnostic Services Rendered | | 800,000 | | 800,000 |
| Percent of Animals Testing Drug Free | | 99.3% | | 99.3% |
| **A.1.1. Strategy:** DIAGNOSTIC SERVICES<br>Provide diagnostic service and disease surveillance. | $ | 7,287,207 | $ | 7,287,207 |
| **Output (Volume):** | | | | |
| Number of Cases Submitted and Examined | | 160,000 | | 160,000 |
| Number of Surveillance Tests Performed for Agents of Bio- or Eco-terrorism | | 230,000 | | 230,000 |
| **A.2.1. Strategy:** DRUG TESTING SERVICE<br>Provide drug testing service primarily for the pari-mutuel animal racing industries. | $ | 959,115 | $ | 959,115 |
| **Output (Volume):** | | | | |
| Number of Animals Tested | | 27,000 | | 27,000 |
| **Total, Goal A:** DIAGNOSTIC AND DRUG TESTING | $ | 8,246,322 | $ | 8,246,322 |

## TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** STAFF BENEFITS | | | | |
| To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements. | | | | |
| **B.1.1. Strategy:** STAFF GROUP INSURANCE | $ | 431,463 | $ | 431,463 |
| Provide funding for staff group insurance premiums. | | | | |
| **B.1.2. Strategy:** WORKERS' COMP INSURANCE | $ | 28,420 | $ | 28,420 |
| Provide funding for workers' compensation insurance. | | | | |
| **B.1.3. Strategy:** UNEMPLOYMENT INSURANCE | $ | 2,743 | $ | 2,743 |
| Provide funding for unemployment insurance. | | | | |
| **B.1.4. Strategy:** OASI | $ | 187,611 | $ | 187,611 |
| Provide funding for OASI. | | | | |
| **B.1.5. Strategy:** OPTIONAL RETIREMENT PROGRAM | $ | 48,126 | $ | 48,126 |
| Optional retirement program differential. | | | | |
| **Total, Goal B:** STAFF BENEFITS | $ | 698,363 | $ | 698,363 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 868,449 | $ | 868,449 |
| **C.1.2. Strategy:** INFRASTRUCTURE SUPPORT | $ | 888,468 | $ | 888,469 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 1,756,917 | $ | 1,756,918 |
| **Grand Total,** TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY | $ | 10,701,602 | $ | 10,701,603 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 5,047,487 | $ | 5,047,488 |
| Other Funds | | | | |
| Drug Testing Laboratory Fee Revenue, estimated | | 1,210,061 | | 1,210,061 |
| Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated | | 4,444,054 | | 4,444,054 |
| Subtotal, Other Funds | $ | 5,654,115 | $ | 5,654,115 |
| **Total, Method of Financing** | $ | 10,701,602 | $ | 10,701,603 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | | 155.0 | | 155.0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,054,468 | $ | 6,054,468 |
| Other Personnel Costs | | 328,448 | | 328,448 |
| Operating Costs | | 1,163,621 | | 1,163,622 |
| Professional Fees and Services | | 4,856 | | 4,856 |
| Fuels and Lubricants | | 8,969 | | 8,969 |
| Consumable Supplies | | 1,508,603 | | 1,508,603 |
| Utilities | | 7,625 | | 7,625 |
| Travel | | 61,270 | | 61,270 |
| Rent - Building | | 3,732 | | 3,732 |
| Rent - Machine and Other | | 20,017 | | 20,017 |
| Other Operating Expense | | 1,258,206 | | 1,258,206 |
| Capital Expenditures | | 281,787 | | 281,787 |
| **Total, Object-of-Expense Informational Listing** | $ | 10,701,602 | $ | 10,701,603 |

## TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

1. **Drug Testing Laboratory Reimbursement.** From fees collected from the drug testing program for race horses and dogs, the Texas Veterinary Medical Diagnostic Laboratory shall transfer funds to the General Revenue Fund during the 2004–2005 biennium to reimburse fully the amounts provided for start-up funding for the drug testing laboratory (estimated to be $200,000). It is the intent of the Legislature that all transfers be complete on or before August 31, 2005.

## TEXAS FOOD AND FIBERS COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SUPPORT AND COORDINATE RESEARCH | | |
| To support and coordinate cooperative research relating to the production, use, and quality of Texas natural fibers and food protein products at Texas universities. | | |
| **Outcome (Results/Impact):** | | |
| Leverage Ratio of General Revenue to Other Research Funds | 2.75 | 2.75 |
| **A.1.1. Strategy:** RESEARCH AND DEVELOPMENT | $ 4,882,844 | $ 4,882,845 |
| Review, coordinate, and fund research and development programs that expand the use and improve the quality of Texas cotton, wool, mohair, oilseeds, and food proteins. | | |
| **Output (Volume):** | | |
| Number of Research and Development Projects | 38 | 38 |
| Number of Formal Published Research Reports | 102 | 102 |
| **Efficiencies:** | | |
| Cumulative Accrual of Supporting Research Funds | 3,370,600 | 3,370,600 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 181,795 | $ 181,795 |
| **Grand Total,** TEXAS FOOD AND FIBERS COMMISSION | $ 5,064,639 | $ 5,064,640 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 1,484,011 | $ 1,484,012 |
| Federal Funds | 519,210 | 519,210 |
| Other Funds, estimated | 3,061,418 | 3,061,418 |
| **Total, Method of Financing** | $ 5,064,639 | $ 5,064,640 |
| **Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds** | 3.0 | 3.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 2 | $66,459 | $66,459 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 138,019 | $ 138,019 |
| Other Personnel Costs | 2,300 | 2,400 |
| Professional Fees and Services | 5,000 | 5,000 |
| Consumable Supplies | 2,000 | 2,000 |
| Utilities | 1,000 | 1,000 |
| Travel | 17,000 | 17,000 |

## TEXAS FOOD AND FIBERS COMMISSION
(Continued)

| | | |
|---|---|---|
| Rent - Building | 360 | 360 |
| Rent - Machine and Other | 3,000 | 3,000 |
| Other Operating Expense | 4,870,960 | 4,870,861 |
| Capital Expenditures | 25,000 | 25,000 |
| **Total, Object-of-Expense Informational Listing** | $ 5,064,639 | $ 5,064,640 |

1. **Contract Requirements.** The Texas Food and Fibers Commission is hereby authorized to contract with any institution pursuant to the provisions of Agriculture Code, Chapter 42. All funds received by the Texas Food and Fibers Commission in the form of grants and/or gifts are hereby appropriated to the specific purpose or purposes authorized by the grantor, and may be withdrawn from the State Treasury; provided, however, that the Texas Food and Fibers Commission shall not accept and place in the State Treasury any grants as provided under this paragraph which would cause the violation of the specific or general provisions of this Act. It is further provided that where any grant exceeds the total cost of the specific project for which it was made, such excess may be returned to the grantor and such excess amounts are hereby appropriated for this purpose.

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above, $3,000 in fiscal year 2004 and $3,000 in fiscal year 2005 is limited to the following advisory committee: Industry Advisory Committee.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT - PUBLIC EDUCATION<br>Provide an actuarially sound level of funding as defined by state law for employees of public education agencies. Estimated. | $ 4,179,529 | $ 3,869,547 |
| **A.1.2. Strategy:** RETIREMENT- HIGHER EDUCATION<br>Provide an actuarially sound level of funding as defined by state law for employees of higher education institutions. Estimated. | $ 2,646,595 | $ 2,450,285 |
| **A.1.3. Strategy:** GROUP INSURANCE - PUBLIC EDUCATION<br>Provide a basic health care and life insurance program for general state employees of public education agencies. Estimated. | $ 10,539,205 | $ 10,727,051 |
| **A.1.4. Strategy:** GROUP INSURANCE - HIGHER EDUCATION<br>Provide a basic health care and life insurance program for employees of higher education institutions. Estimated. | $ 2,660,724 | $ 2,734,671 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 20,026,053 | $ 19,781,554 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 20,026,053 | $ 19,781,554 |

## RETIREMENT AND GROUP INSURANCE
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund, estimated | $ | 16,993,104 | $ | 16,805,719 |
| General Revenue Dedicated Accounts, estimated | | 115,271 | | 115,435 |
| Federal Funds, estimated | | 2,917,678 | | 2,860,400 |
| **Total, Method of Financing** | $ | 20,026,053 | $ | 19,781,554 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | | | |
| **A.1.1. Strategy:** STATE MATCH - EMPLOYER - PUBLIC ED<br>Provide an employer match for Social Security contributions for employees of public education agencies. Estimated. | $ | 6,785,064 | $ | 6,844,225 |
| **A.1.2. Strategy:** STATE MATCH-EMPLOYER-HIGHER ED<br>Provide an employer match for Social Security contributions for employees of institutions of higher education. Estimated. | $ | 201,706,073 | $ | 205,762,105 |
| **A.1.3. Strategy:** BRP – PUBLIC EDUCATION<br>Provide Benefit Replacement Pay to eligible employees of public education agencies. Estimated. | $ | 1,090,493 | $ | 1,034,878 |
| **A.1.4. Strategy:** BRP - HIGHER EDUCATION<br>Provide Benefit Replacement Pay to eligible employees of higher education agencies. Estimated. | $ | 155,597 | $ | 147,661 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ | 209,737,227 | $ | 213,788,869 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ | 209,737,227 | $ | 213,788,869 |
| **Method of Financing:** | | | | |
| General Revenue Fund, estimated | $ | 166,528,369 | $ | 169,749,661 |
| General Revenue Dedicated Accounts, estimated | | 35,504,455 | | 36,235,173 |
| Federal Funds, estimated | | 1,334,593 | | 1,337,459 |
| Other Special State Funds, estimated | | 6,369,810 | | 6,466,576 |
| **Total, Method of Financing** | $ | 209,737,227 | $ | 213,788,869 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE<br>Make general obligation bond debt service payments in compliance with bond covenants. | $ 828,792 | $ 1,144,221 & UB |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ 828,792 | $ 1,144,221 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | |
| **A.1.1. Strategy:** LEASE PAYMENTS - PUBLIC EDUCATION<br>Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for public education agencies on facilities financed through the Texas Public Finance Authority. | $ 7,315,261 | $ 7,321,353 & UB |
| **A.1.2. Strategy:** LEASE PAYMENTS - HIGHER EDUCATION<br>Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for higher education agencies and institutions on facilities financed through the Texas Public Finance Authority. | $ 937,272 | $ 937,194 & UB |
| **Total, Goal A:** FINANCE CAPITAL PROJECTS | $ 8,252,533 | $ 8,258,547 |
| **Grand Total,** LEASE PAYMENTS | $ 8,252,533 | $ 8,258,547 |

## SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

The Special Provisions which follow shall apply only to agencies of higher education:

Sec. 2. **Local Funds Appropriated**. All balances of local funds except for any identifiable general revenue in the local funds of the state institutions of higher education named in this Article, as those funds are defined in Education Code § 51.009(a), at the close of the fiscal year ending August 31, 2003, including balances in their local revolving funds at that time, and the income to said funds during the fiscal years beginning September 1, 2003 and 2004, are hereby appropriated for the operation, maintenance, and improvement of the respective state institutions. Institutional funds, as those funds are defined in Education Code § 51.009(b), shall be expended as authorized by the laws governing the use of the funds, and unless specifically included or identified, are exempt from the Article III and IX Special Provisions of this Act.

All local funds shall be subject to the special and general provisions of Articles III and IX except where certain local funds are specifically exempted from these provisions by a provision herein or by specific statutory authority.

Sec. 3. **Definition of Terms.**

1. As used in this Act, the term "general academic institutions" shall mean only the following institutions:

   The University of Texas at Arlington
   The University of Texas at Austin
   The University of Texas at Dallas
   The University of Texas at El Paso
   The University of Texas - Pan American
   The University of Texas at Brownsville
   The University of Texas of the Permian Basin
   The University of Texas at San Antonio
   The University of Texas at Tyler
   Texas A&M University
   Texas A&M University at Galveston
   Prairie View A&M University
   Tarleton State University
   Texas A&M University - Corpus Christi
   Texas A&M University - Kingsville
   Texas A&M International University
   West Texas A&M University
   Texas A&M University - Commerce
   Texas A&M University - Texarkana
   University of Houston
   University of Houston - Clear Lake
   University of Houston - Downtown
   University of Houston - Victoria
   Midwestern State University
   University of North Texas
   Stephen F. Austin State University
   Texas Southern University
   Texas Tech University
   Texas Woman's University
   Angelo State University
   Lamar University - Beaumont
   Lamar Institute of Technology
   Lamar State College - Orange
   Lamar State College - Port Arthur

Sam Houston State University
Southwest Texas State University
Sul Ross State University, including:
Sul Ross State University Rio Grande College

2. "Educational and General Funds" are those funds defined in Education Code § 51.009(c) and General Revenue Fund appropriations.

Sec. 4. **Transfer Provisions.**

1. **Intercomponent Transfers.** With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system administration, among academic component institutions and their associated system administration, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of nursing, pharmacy and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University Service Agencies to Texas A&M University.

2. **Health to Academic Intercomponent Transfers with LBB Prior Approval.** As an exception to the provisions in Subsection 1., transfers may be made with prior approval of the Governor and Legislative Budget Board from medically-related components to general academics if it does not diminish the academic programs of the medically-related component or result in increased fees to patients at the component. The systems shall furnish whatever documentation may be required by the Governor and Legislative Budget Board to assure these conditions are met.

3. **Revenue Enhancement and Transfer Notification.** The Legislature instructs The University of Texas System to enhance local funds revenues to reduce the need for general revenue funds. The Legislature instructs The University of Texas System to give 30 days notice to the Legislative Budget Board and Governor prior to transferring local funds from any System hospital. Furthermore, notwithstanding the provisions of subsections 1 and 2 above, The University of Texas System Board of Regents shall not transfer funds from health institutions delivering patient care if such a transfer would result in a decrease in the quality or amount of indigent patient care offered by the affected institution.

4. **Reporting of Transfers.** Any transfers made pursuant to subsections 1, 2, and 3, whether general revenue or local funds in nature, shall be reported in the Legislative Appropriations Request for the biennium beginning September 1, 2005.

5. **Tuition Revenue Bond and Revenue Bond Transfers.** Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.

## SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION
(Continued)

Sec. 5. **Salary and Benefit Provisions.**

1. **Prorated Salaries Authorized.** Any employees who distribute their time and duties between general administration, instruction, organized activities related to instruction, and the management of auxiliary enterprises, may receive their total salary payments in proportionate parts from such activities and from the appropriated or available funds therefore.

2. **President Salaries.** Out of the educational and general funds appropriated to the general academic institutions, health centers, health science centers, and medical education programs, an amount NTE $65,945 in 2004 and $65,945 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a house owned by the institution, center, or program is not available, an amount NTE $7,200 per year from the appropriation to the institution, center, or program, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.

3. **Chancellor Salaries.** Out of the funds appropriated, transferred, or contracted to the system offices, an amount NTE $70,231 in 2004 and $70,231 in 2005 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required, may be provided in lieu of house and utilities.

4. **Merit Authorization.** It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.

5. **Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education.** Notwithstanding any other provisions of this act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities.

6. **Group Insurance Premiums.** For the biennium ending August 31, 2005, there is hereby appropriated such amounts, from local funds or educational and general income available to institutions of higher education, as may be necessary to pay the proportional share of the State's contributions for Staff Group Health Insurance Premiums. Funds appropriated by this subsection may be transferred by those institutions not retaining separate insurance programs to the Employees Retirement System at appropriate intervals to pay the proportional share of the group insurance premiums.

7. **Higher Education Institutions Participating in the Employees Retirement System Group Insurance Program.** General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education participating in the Employees Retirement System Group Insurance Program paying for health insurance costs from non-General Revenue Funds shall provide the same levels of premium-sharing for SKIP enrollees as provided for those higher education employees with health insurance paid from General Revenue Funds.

Sec. 6. **Expenditure Provisions.** The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted:

## SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION
(Continued)

1. **Annual Operating Budgets Required.** It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before December 1, 2003 and 2004, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this Act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public inspection. Copies of each budget shall also be filed with the Legislative Budget Board, the Governor, and the Texas Higher Education Coordinating Board by January 1 of each fiscal year.

2. **Clearing Accounts.** At their option, the institutions may use their local depository bank account in lieu of the special clearing account, authorized by Education Code, § 51.008(b), provided that the general requirements set out in therein, for deposits and transfers to the state treasury, are complied with.

3. **Revolving Funds.**

   a. Each institution affected by this section, at its option, is hereby authorized to maintain a revolving fund to facilitate the payment of nominal expenses and to pay bills within cash discount periods. The institutions may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls. Disbursements from the revolving funds are to be reimbursed from respective items of educational and general appropriation made herein, the Comptroller of Public Accounts being hereby authorized to make such reimbursements on claims filed with him by the institutions under his regularly prescribed procedures except that one voucher and one warrant may cover any number of claims for this purpose. These reimbursement claims shall meet the same requirements as other claims against state appropriations, and each institution shall prepare such a reimbursement claim as at the close of business on the last day of each month and as many times during the month as may be expedient in order to make unnecessary the maintaining of an unreasonably large revolving fund.

   b. The respective governing board shall determine the amounts of the revolving funds to be set up for each institution, and may increase or decrease the amounts if necessary. Such governing board shall designate a depository bank for each revolving fund, and shall specify the officers and/or employees to sign checks drawn on each such fund. The depository bank for each revolving fund shall be required to secure the deposit as provided by law.

   c. Appropriations to all institutions of higher education and systems, except funds identified exclusively for salaries, may be used to reimburse any revolving fund operated for the benefit of one or more parts or component units of an institution or system, such as a motor pool for managing automotive vehicles authorized by this Act, a feed supply center, an office supply or laboratory supply center, a computer center, or any other operations of a similar nature established by authority of the governing board of said institution or system.

4. **Local Depositories.** The governing boards of the respective institutions for which appropriations are made in this Article are hereby authorized to select depository banks for the safekeeping of funds which are authorized, by statute, to be maintained outside the state treasury. The boards shall require depository banks to furnish adequate surety bonds or securities to be posted for the assurance of safety of such deposits. The depository bank or banks so selected are hereby authorized to pledge their securities for assurance of safety for such funds. All such local funds shall be deposited in these depositories within seven (7) days from date of collection. The governing boards may require the depository so designated and

selected to pay interest on deposits at a rate to be agreed upon by said depositories and said boards.

5. **Investment Reports.**

   a. The governing board of each of the educational institutions named in this Article shall file with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor's Office. Copies of such reports shall be available for public inspection. In addition to the annual report, each institution shall publish on its website quarterly investment reports in any format it deems appropriate.

   b. The governing boards of each educational institution named in this article must adopt formal investment policies. Each governing board shall submit to the Legislative Budget Board and State Auditor's Office a copy of their investment policy by December 31 of each year.

6. **Central Services Accounts.**

   a. Out of funds appropriated in this article, the governing boards of the university systems and their component units, and institutions of higher education may employ persons to serve two or more parts or component units of the system or institution and may pay their salaries in whole or in part from the informational items of appropriation made herein to any component unit. The governing boards are authorized to establish accounts from which salaries and expenses for the administration and supervision of the units of the system or institution may be paid and to require the units, including any other agency the administration of which it may be charged with by law, to pay into this account from any general revenue, local, or institutional funds their proportionate share as determined by the board for the expense of such administration and supervision. The Comptroller of Public Accounts is authorized to set up an account for each of the systems or institutions and to deposit in the account funds to the amount authorized by the governing boards and executive heads of the respective units, from funds appropriated by the Legislature to the units for noninstructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against such accounts based on vouchers submitted by the systems or institutions in payment of salaries, maintenance, equipment or travel incidental to the administration and supervision of the respective units.

   b. The systems and institutions whose governing boards and component units are subject to the above are authorized to establish the following accounts:

      Texas A&M University System Central Services Account
      The University of Texas System Central Services Account
      University of Houston System Central Services Account
      Texas Tech University System Central Services Account
      University of North Texas System Central Services Account
      Texas State University System Central Services Account

   c. Travel expense incurred by a person employed by one unit of an above system or institution in connection with service to the other units may be reimbursed by the unit for which such services are performed or proportionately if more than one such unit is involved.

7. **Utility Revolving Funds.** The governing boards of Texas Woman's University, West Texas A&M University, all components of the University of Houston System, Texas State University System, Texas Tech University System, University of North Texas System, and The University

of Texas System are authorized to use appropriated funds, except funds expressly identified for salaries, to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse any revolving fund now or hereafter established in connection with providing utility services to any building or facility of the college or university, in accordance with the general principles established in Education Code § 55.11, and the creation and maintenance of any such revolving fund is hereby authorized.

8. **Appropriation Expenditure Authorization.**

   a. The educational and general appropriations made in this Act to the general academic teaching institutions, health related institutions and Texas State Technical College may be expended for the following purposes, including, but not limited to: Instruction; Research; Public Service; Academic Support; Student Services; Institutional Support; Operation and Maintenance of Plant; Scholarships; Staff Benefits; Organized Activities; and Patient Care. Major repairs and rehabilitation of buildings and facilities may be purchased from appropriated funds, but may not be purchased from general revenue funds that are not expressly identified or allocated for such purposes.

   b. No educational and general funds appropriated to any institution or agency named in this article may be expended on auxiliary enterprises, unless specifically authorized in this Act.

9. **Tuition Revenue Bonds and Revenue Bonds.** Funds clearly identified in separate informational strategies to the general academic teaching institutions and health sciences centers for revenue or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by Education Code § 55.17 through § 55.174 and § 55.19, and any additional authorization enacted by the Seventy-eighth Legislature. Any funds in excess of the amount expended for debt retirement shall be reverted to the General Revenue Fund at the end of each fiscal year.

Sec. 7. **Recruitment of Students.** No funds appropriated by this Act may be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

Sec. 8. **Television Stations Prohibited.** None of the educational and general funds appropriated in this article may be expended for the acquisition, construction or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the institutions of higher education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent institutions with existing public broadcasting or transmitter stations to use them for educational purposes, or to prevent the continuance of operating arrangements with existing transmitter stations for purely educational purposes; or to prevent cooperative arrangements with public broadcast stations.

Sec. 9. **Intercollegiate Athletics.** The special and general provisions of Articles III and IX of this Act shall not apply to intercollegiate athletics. The governing boards of the respective institutions of higher education shall make such necessary rules and adjustments as may be deemed advisable for the management and operation of such activities; however, no funds under control of intercollegiate athletics may be used to purchase alcoholic beverages; no educational and general funds appropriated may be used for the operation of intercollegiate athletics; such rules and adjustments shall be designed to complement the rules applicable to other departments of the respective institution and finally, such rules and adjustments shall specifically prohibit violation of National Collegiate Athletic Association (NCAA) or other governing body rules with respect to recruitment of athletes.

Sec. 10. **Prohibition Against Additional Museums.** None of the educational and general funds appropriated in this Article shall be used for establishing additional museums or for the maintenance

and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of educational and general funds. As an exception to this provision, in order to encourage and promote gifts, grants, or donations to institutions of higher education, it is specifically provided that an institution which receives such gifts, grants or donations for the construction or establishment of a museum, which is added to an institution's building inventory after September 1, 1997, may use education and general funds appropriated by this Article for the maintenance and operation of such a museum. This exception applies only to the authority to spend appropriated funds for these purposes; such museum space shall not be included in formula calculations for purposes of determining the amounts of appropriations due for maintenance or operations of institutional facilities.

Sec. 11. **Method of Financing Scholarships.**

1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of Education Code § 56.031 to § 56.039, cited as the Texas Public Educational Grants Program.

2. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships, shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller.

3. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

4. Out of the additional funds appropriated for the 2004–05 biennium for the informational strategy described as "Scholarships," it is the intent of the Legislature that the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color or ethnicity of the student recipient.

Sec. 12. **Use of Educational and General Funds for Alumni Activities Prohibited.** None of the educational and general funds appropriated by this Article may be expended by institutions of higher education for the support or maintenance of alumni organizations or activities.

Sec. 13. **Limitation of Nonresident Enrollment in Certain State-supported Professional Schools.**

1. None of the funds appropriated by this Act may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in, any wholly or partially state-supported medical, dental, or law school which: (a) imposes a limitation on the number of students that it admits, (b) in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) in the same academic semester admits, as either class, nonresidents of the State of Texas in a number greater than 10 percent of the class of which such nonresidents are a part. Limitation of nonresident enrollment at The University of Texas Law School, Texas Tech University School of Law, and the University of Houston Law Center may be increased to 20 percent of the class of which nonresidents are a part provided that the admission of such nonresident students is on the basis of academic merit alone. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10 percent of their classes with non-resident students in the case of medical and dental schools, and

20 percent in the case of The University of Texas Law School, Texas Tech University Law School and the University of Houston Law Center, when the result of admitting a nonresident denies admission to a qualified Texas applicant. This provision shall not apply to the funds appropriated to the Coordinating Board for the funding of Baylor College of Medicine or to funds appropriated for tuition equalization grants for students attending private colleges.

2. In addition, The University of Texas Southwestern Medical Center at Dallas may admit up to 25 competitively recruited medical students in each entering class for a specialized six-year program of clinical and research training designed to lead to the MD and PhD degrees irrespective of whether those students are Texas residents.

3. Texas medical schools may enroll up to 6 competitively recruited medical students, who already possess the DDS degree, in each second year medical school class for a specialized six year program in oral and maxillofacial surgery comprised of the last three years of medical school and a three year residency program irrespective of whether those students are Texas residents.

Sec. 14. **Off-campus Instruction.** General academic institutions may teach courses off campus with the following restrictions:

1. At the conclusion of each fiscal year, the Coordinating Board shall file a report with the Governor and the Legislative Budget Board on all general academic institutions concerning off-campus semester credit hours for that fiscal year.

2. Semester credit hours generated at upper level centers authorized by the Legislature or by the Coordinating Board, as well as at Prairie View A&M University's Houston nursing program and Texas Woman's University nursing programs in Dallas and Houston are not considered to be off-campus.

3. All courses taught off campus must be taught by a regular faculty member or administrator who is employed at least half-time on the main campus of the institution. The Commissioner of Higher Education may waive this requirement in special cases where institutions can justify the use of a uniquely qualified individual. Allied health and vocational instructors are exempted from this requirement.

Sec. 15. **Medical School Enrollment.** It is the intent of the Legislature that the first year class enrollment of undergraduate medical students in the fiscal years ending August 31, 2004 and August 31, 2005, shall be no less than 200 students at The University of Texas System medical colleges and 100 students at the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center College of Medicine. This provision shall not be construed as requiring any school of medicine to accept an unqualified applicant. In the event that a school of medicine falls below the required first year class enrollment of undergraduate medical students by more than 5 percent for fiscal years 2004 and 2005, the school shall report to the Legislative Budget Board the reasons for failing to meet the required enrollment. It is the intent of the Legislature that this information be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

Sec. 16. **Tuition and Other Educational and General Local Fee Collection.** On or before the end of the 20th class day for each regular semester and the 15th class day for each summer session, each institution of higher education shall collect from each student whose semester credit hours are to be included in formula funding calculations all tuition and all fees in accordance with the installment tuition and fee payment plan provided for by Education Code, Chapter 54, as amended. Valid contracts with the United States Government for instruction of eligible military personnel, valid contracts with private business and public service–type organizations or institutions such as hospitals, and financial aid awards processed by the financial aid office but not yet issued to the student may be considered as collections thereunder but subject to adjustments after final payment thereof.

Sec. 17. **Compliance with Uniform Recruitment and Retention Strategy.** It is the intent of the Legislature that institutions of higher education give top priority and consideration to compliance with the spirit and mandates of the Uniform Recruitment and Retention Strategy.

Sec. 18. **Formula Variable and Educational and General Income Audits.** The Texas Higher Education Coordinating Board in consultation with the State Auditor's Office and the Legislative Budget Board, shall clearly define all variables used by the Seventy-eighth Legislature in arriving at formula appropriations for 2004 and 2005. According to an audit plan developed in consultation with the Coordinating Board and Legislative Budget Board, all variables of selected formulas used in making 2004 and 2005 formula appropriations are subject to audit by the State Auditor. The State Auditor shall report any differences from data submitted by the institutions to the Coordinating Board, the Legislative Budget Board, and the Governor. The Coordinating Board shall then calculate a new appropriations amount for each institution that reported data in conflict with that verified by the auditor. These calculations shall then be reported to the Legislative Budget Board, Governor, and the Comptroller of Public Accounts and may be used to revise appropriation authority accordingly. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the biennial appropriations related to the variables audited at that institution.

In addition, components of educational and general income reported in the institutional requests for legislative appropriations for fiscal years 2004 and 2005 are subject to audit by the State Auditor.

The State Auditor may request the assistance of an institution's internal auditor in performing the audits described in this section.

Sec. 19. **System Offices Funding Authorized.** Educational and general funds appropriated to components of The University of Texas, Texas A&M University, University of Houston, Texas Tech University, University of North Texas, Texas State University System and Texas State Technical College Systems may be transferred or contracted to system offices to provide support for coordination, administration, and other related services.

Sec. 20. **Annual Reports of Health Related Institutions Practice Plans.** As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of 120 days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, the Legislative Reference Library and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year, showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor's Office for all financial data concerning the health related institutions practice plans.

Sec. 21. **Self-insurance Funds.** Any funds of an institution of higher education used for or allocated to a self-insurance fund authorized by Government Code § 2259.001 for a risk otherwise insurable by the institution of higher education shall be treated by the Comptroller of Public Accounts as an expenditure of the respective funds. The self-insurance funds so created shall be considered designated funds as that term is used in § 51.008(b) of the Education Code. Any self-insurance fund reserves so created shall not exceed in amount the maximum value determined to be actuarially sound for each such self-insurance program.

Sec. 22. **Elements of Unsponsored Charity Care.**

1. **Financially Indigent.** Unsponsored charity care shall include unreimbursed services to the financially indigent. Financially indigent shall mean uninsured or underinsured patients accepted for care with no obligation or a discounted obligation to pay for services rendered based on a teaching hospital's or clinic's formal eligibility system which may include:
(a) income levels and means testing or other criteria for determining a patient's inability to pay; or (b) other criteria for determining a patient's inability to pay that are consistent with the

hospital's or clinic's mission and established policy. The federal poverty level shall serve as an index for the threshold below which patients receiving care at The University of Texas Southwestern Medical Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Health Center at Tyler, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center are deemed financially indigent. Financially indigent services include both noncovered services and contractual allowances for patients eligible for the Medicaid program and for the Children with Special Health Care Needs (formerly known as CIDC) program, services provided under the Maternal and Infant Health Improvement Act (MIHIA), services provided under county indigent care contracts (Sec. 25), and services provided under other state or local government programs with eligibility indexed to the federal poverty level.

2. **Medically Indigent.** Unsponsored charity care shall include unreimbursed services to the medically indigent. Medically indigent shall mean patients who are responsible for their living expenses, but whose medical and hospital bills, after payment by third-party payers, where applicable, exceed: (a) a specified percentage of the patient's annual gross income (i.e., catastrophic medical expenses) in accordance with a teaching hospital or clinic's formal eligibility system in such instances where payment would require liquidation of assets critical to living or earning a living; or (b) the criteria for determining a patient's inability to pay as established by the public health-related institutions listed in Sec. 22, 1. Financially Indigent.

3. **Charity Care Determination.** The determination that a patient is financially or medically indigent shall occur within 120 days of the patient's discharge from the hospital or clinic setting or within 120 days of the third party payor settlement.

4. **Contractual Adjustments.** The contractual adjustments to commercial contracts, managed care contracts, and Medicare for the public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall not be counted as unsponsored charity care.

5. **Bad Debt.** Bad debts shall not be counted as unsponsored charity costs. Bad debts shall include the uncollected billed charges for services rendered to patients who do not qualify under the definition of unsponsored charity care.

Sec. 23. **Unsponsored Charity Care Reporting Requirement.** The public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall include in their biennial legislative appropriations request information including the actual amount of unsponsored charity care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the definition of unsponsored charity care set forth in the section called "Elements of Unsponsored Charity Care."

Sec. 24. **Patient Income Eligibility Guidelines.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall use the federal poverty level indexed at an agreed-upon level as the guideline for determining indigent patient status, and those institutions' eligibility guidelines regarding copayment by patients deemed financially or medically indigent shall be the same.

The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center may use as a basis for reporting indigent care statistical samples derived from indigent care determinations made by their affiliated teaching hospitals and designed to estimate the amounts of charity care provided using the definitions established by The University of Texas hospitals noted above.

Sec. 25. **County Indigent Care Contracts.**

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.

2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 26. **Ethics Policy.**

1. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.

2. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 27. **Driscoll Children's Hospital.** No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases or in assuming the direct care of those children. It is legislative intent that this rider language not restrict the traditional referral patterns, utilized by physicians to refer patients to health-related institutions.

Sec. 28. **Participation in Drug Development Research Projects.** A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under § 576.022, Health and Safety Code.

Sec. 29. **Post Tenure Review.** None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

Sec. 30. **General Academic Funding.** Funding for general academic institutions will consist of four formulas and supplemental items. The General Revenue in the formula appropriations for each institution reflects a 10.1 percent reduction after the formula allocation is calculated based on the formula rates indicated in this section.

1. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library,

instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2004-05 biennium is $57.47. The General Revenue in the formula appropriation for each institution is reduced by 10.1 percent after the formula allocation is calculated.

Weighting is determined by the following matrix:

| | Lower Division | Upper Division | Masters | Doctoral | Special Professional |
|---|---|---|---|---|---|
| Liberal Arts | 1.00 | 1.96 | 3.94 | 12.04 | |
| Science | 1.53 | 3.00 | 7.17 | 19.29 | |
| Fine Arts | 1.85 | 3.11 | 6.51 | 17.47 | |
| Teacher Ed | 1.28 | 1.96 | 3.23 | 9.95 | |
| Agriculture | 2.05 | 2.54 | 6.64 | 16.37 | |
| Engineering | 3.01 | 3.46 | 8.20 | 21.40 | |
| Home Economics | 1.58 | 2.12 | 4.34 | 10.79 | |
| Law | | | | | 3.22 |
| Social Services | 1.64 | 1.84 | 5.80 | 11.92 | |
| Library Science | 1.45 | 1.52 | 4.22 | 12.26 | |
| Vocational Training | 1.45 | 2.59 | | | |
| Physical Training | 1.36 | 1.36 | | | |
| Health Services | 2.87 | 3.46 | 6.47 | 15.98 | |
| Pharmacy | 4.00 | 4.64 | 9.00 | 19.11 | 9.00 |
| Business Admin | 1.41 | 1.59 | 4.59 | 13.91 | |
| Optometry | | | 5.46 | 19.12 | 7.00 |
| Teacher Ed Practice | 2.43 | 2.57 | | | |
| Technology | 1.99 | 2.56 | 6.61 | | |
| Nursing | 4.91 | 5.32 | 6.49 | 16.32 | |
| Developmental Ed | 1.00 | | | | |
| Veterinary Medicine | | | | | 16.72 |

2. **Teaching Experience Supplement.** For the 2004–05 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.

3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater and thermal energy. The average rate per square foot is $7.10.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

   These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.

Sec. 31. **Health Related Institutions Funding.** Funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

1. **Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of $9,826:

| Program | Weight Per Student |
|---|---|
| Allied Health | 1.000 |
| Biomedical Science | 1.018 |
| Nursing | 1.138 |
| Pharmacy | 1.670 |
| Public Health | 1.721 |
| Dental | 4.601 |
| Medical | 4.753 |

   Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is $9.43 for all health related institutions, excluding The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Center at Tyler. For these two institutions, the per square foot rate is $9.31.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M. D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of $1,412,500 plus 1.85 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.

5. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.

6. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and the University of Texas Health Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:

   a. The University of Texas M.D. Anderson Cancer Center has a statutory mission to eliminate cancer through patient care, research, education, and prevention. General Revenue funds appropriated to The University of Texas M.D. Anderson Cancer Center in Strategy B.1.3, Science Park Operations, and Strategy D.1.1, Patient Care Activities, shall be based on the number of new cancer cases each year based upon population estimate projections of the state produced by the Texas State Data Center and California State Center Registry incidence rates used as a methodological source by cancer epidemiologists in Texas and throughout the country. General Revenue appropriations for fiscal year 2004 shall be based on the number of new cancer cases reported in 2001, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new cancer cases reported in 2002. The rate per new cancer case shall be $59.31 in fiscal year 2004 and $58.21 in fiscal year 2005 for Strategy B.1.3, Science Park Operations: and $263.29 in fiscal year 2004 and $268.16 in fiscal year 2005 for Strategy D.1.1, Patient Care Activities.

   b. The University of Texas Health Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. General Revenue funds appropriated to The University of Texas Health Center at Tyler in Strategy A.1.1, Medical Education and Research Items, shall be based on the number of new primary chest disease diagnoses each year in Texas as reported by participating Texas hospitals in the Texas Hospital Association Patient Data System program. General Revenue appropriations for fiscal year 2004 shall be based on the number of new primary chest disease diagnoses reported in 2000, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new primary chest disease diagnoses reported in 2001. The rate per primary chest diagnosis shall be $7.56 for fiscal year 2004 and $7.27 for fiscal year 2005.

   c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas

Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

Sec. 32. **Optional Retirement Program Differential.** Included in the appropriation to institutions of higher education in this act are general revenue amounts to offset local funds used for the optional retirement program employer contributions between 6 percent and 7.31 percent of salaries for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995. These general revenue amounts are included in the funding formulas for general academic institutions and two-year institutions and in the base funding for other institutions of higher education.

Sec. 33. **Indirect Cost Recovery Earned by Texas A&M Services.** The Texas A&M University System Service agencies shall report to the Legislative Budget Board in their Legislative Appropriations Requests for 2006–07 all indirect cost recovery revenue earned on research grants and contracts including amounts collected by the Research Foundation.

Sec. 34. **Fire Safety Projects at Institutions of Higher Education.** Because of the urgent nature of these projects, it is the intent of the Legislature that institutions of higher education that have major fire safety projects, identified by the State Fire Marshall's Office as not meeting the requirements of the National Fire Protection Association, *Life Safety Code,* 1994 Edition, remedy the fire safety issues and complete any related construction and renovation projects as soon as practical. Institutions shall consult with the State Fire Marshall's Office and develop a time line for completion of the projects. Institutions shall implement the interim safety precautions recommended by the State Fire Marshall's Office. The State Fire Marshall shall submit periodic reports to the House Appropriations Committee and Senate Finance Committee on the progress of institutions in remedying the fire safety issues.

Institutions of higher education shall notify parents of students living in dormitories identified by the State Fire Marshall's Office. The notice shall contain information about the actions needed to rectify noncompliance and the time frame in which the institution plans to make improvements in order to comply.

Sec. 35. **Special Items.** It is the intent of the Legislature that actions taken to consolidate certain special items under the Institutional Enhancement strategy shall not in any way be construed to preclude actions to add special item funding for a statewide or broadly based initiative identified by the Legislature to address significant unmet needs.

Sec. 36. **Funding for Physical Education Courses.** No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

Sec. 37. **Faculty Salary Increase Report.** The Texas Higher Education Coordinating Board shall report the average salary increase provided to faculty at each general academic institution to the Legislative Budget Board and Governor by January 31 of each fiscal year on a form prescribed by the Texas Higher Education Coordinating Board.

Sec. 38. **Endowed Chairs.** Out of funds appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine, Houston; University of Texas Health Science Center at Houston; University of Texas Medical Branch at Galveston, each may expend up to $1,000,000 out of funds appropriated in this Act to fund one endowed chair or professorship for spinal cord injury research. It is the intent of the Legislature that each institution pursue an equal amount of matching funds from the Institute of Rehabilitation and Research for each institution.

## SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION
(Continued)

Sec. 39. **Status of Endowed Chairs at General Academic Institutions.** Each general academic institution that accepts donations for endowed chairs shall do the following: For each endowed chair that remains unfilled for a period of three consecutive years, the institution shall provide a report to the donor disclosing the vacant status of the chair, in accordance with the donor agreement.

Sec. 40. **A&M Service Agencies' Infrastructure.** Funds identified as Infrastructure Support for Texas Agricultural Experiment Station, Texas Agricultural Extension Service, Texas Forest Service, Texas Engineering Experiment Station, Texas Transportation Institute, and Texas Engineering Extension Service are to be applied to each agency's infrastructure needs in Brazos County under the Texas Higher Education Coordinating Board's recommended formula for the A&M service agencies' infrastructure. Each agency shall continue to work with the Texas Higher Education Coordinating Board as part of the ongoing formula advisory committee review process. Included in the Infrastructure Support strategy are funds formerly classified as Capital Equity and Excellence Funding.

Sec. 41. **Donations for Scholarships.** For the first five years after receiving a donation which creates or endows a scholarship, a state university that fails to award a scholarship created or endowed by a donor shall annually notify the donor, in accordance with the donor agreement.

Sec. 42. **Endowed Programs.** A state university that, within five years of receiving a donation, diminishes its financial support from local funds for a program created or endowed by the donor, shall notify the donor, in accordance with the donor agreement. If the agreement so provides, then upon application by the donor, the university shall return the donation or endowment.

Sec. 43. **Student Travel Policy.** Each governing board of an institution of higher-education shall adopt a policy regulating travel that is undertaken by one or more students presently enrolled at the institution to reach an activity or event that is located more than 25 miles from the institution that is organized and sponsored by the institution and that is funded by the institution, and the travel is undertaken using a vehicle owned or leased by the institution or required by a student organization registered at the institution.

Sec. 44. **Special Item Support.** Any appropriations made to special item support strategies throughout this article are intended to supplement existing programs and may not be used to supplant funds.

Sec. 45. **Appropriation for License Plate Scholarship Program.** In addition to educational and general funds amounts appropriated by this Act, available balances and the portion of fees deposited in the state treasury during the biennium ending August 31, 2005 in an amount of $450,000 in fiscal year 2004 and $450,000 in fiscal year 2005, is to the credit of the general academic institutions as provided by Transportation Code § 502.270, are appropriated for that period to the general academic teaching institution for which it was credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.

Sec. 46. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bills 1945, Seventy-sixth Legislature, and does not make appropriations:
Permanent Health Fund for Higher Education $350,000,000;
The University of Texas Health Science Center at San Antonio Endowment $200,000,000;
The University of Texas M.D. Anderson Cancer Center Endowment $100,000,000;
Texas Tech University Health Sciences Center Endowment (El Paso) $25,000,000;
The University of Texas Southwestern Medical Center at Dallas Endowment $50,000,000;
Texas Tech University Health Sciences Center Endowment (Other Than El Paso) $25,000,000;
The University of Texas Medical Branch at Galveston Endowment $25,000,000;
The University of Texas Health Science Center at Houston Endowment $25,000,000;
The University of Texas Health Center at Tyler Endowment $25,000,000;

Texas A&M University System Health Science Center Endowment $25,000,000;
University of North Texas Health Science Center at Fort Worth Endowment $25,000,000;
Lower Rio Grande Valley Regional Academic Health Center Endowment $20,000,000;
The University of Texas at El Paso Endowment $25,000,000;
Baylor College of Medicine $25,000,000;
Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs $45,000,000; and
Permanent Fund for Minority Health Research and Education $25,000,000.

Sec. 47. **Report on Real Property.** Institutions of higher education shall submit to the Asset Manager Division in the General Land Office the following information:

a. a description of each item of property by reference to a volume number and page or image number or numbers of the official public records of real property in a particular county, or if not applicable, by a legal description;

b. the date of purchase of the property, if applicable;

c. the purchase price of the property, if applicable;

d. the name of the institution holding title to the property for the state;

e. a description of the current uses of the property and of the projected future uses of the property during the next 15 years; and

f. a description of each building or other improvement located on the property.

If the description of real property required by this section is excessively voluminous, as in the case of parkland, the division may direct the institution in possession of the real property to furnish the description only in summary form, as agreed to by the division and the institution involved.

In addition, if the institution of higher education has done an appraisal on the property, the date of the appraisal and the value broken out by land and improvements.

Sec. 48. **Enrollments in Professional Nursing Programs.** Recognizing that nurses are essential to good patient care and that 50 percent of the registered nurses working today will reach retirement age within six years, bringing the current nursing shortage to an even more critical level, it is the intent of the Legislature to encourage those institutions with programs preparing students for licensure as registered nurses to maintain the number of students enrolled in those programs at the same level as were enrolled for the fiscal year ending August 31, 2003. This provision shall not be construed as encouraging any school to accept an unqualified applicant to its professional nursing program.

# RECAPITULATION - ARTICLE III
# AGENCIES OF EDUCATION
# (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Education Agency | $ 10,646,009,903 | $ 9,560,781,095 |
| State Board for Educator Certification | 16,062,857 | 16,515,020 |
| Rider Appropriations | 1,090,433 | 1,142,369 |
| Total | 17,153,290 | 17,657,389 |
| School for the Blind and Visually Impaired | 11,512,149 | 11,418,450 |
| School for the Deaf | 14,494,531 | 14,495,114 |
| Teacher Retirement System | 1,979,552,283 | 1,534,203,601 |
| Rider Appropriations | 33,350,443 | 33,350,443 |
| Total | 2,012,902,726 | 1,567,554,044 |
| Optional Retirement Program | 94,866,022 | 95,395,130 |
| Higher Education Employees Group Insurance Contributions | 411,402,448 | 411,402,448 |
| Higher Education Coordinating Board | 390,693,680 | 336,665,761 |
| Rider Appropriations | 137,304 | 0 |
| Total | 390,830,984 | 336,665,761 |
| Higher Education Fund | 187,949,721 | 189,185,161 |
| Texas Excellence Fund | 10,894,765 | 11,633,294 |
| University Research Fund | 10,894,765 | 11,633,294 |
| The University of Texas System Administration | 6,284,881 | 6,284,383 |
| The University of Texas at Arlington | 77,952,125 | 78,396,944 |
| The University of Texas at Austin | 227,064,123 | 229,092,002 |
| The University of Texas at Dallas | 54,108,075 | 54,291,041 |
| The University of Texas at El Paso | 54,954,982 | 55,730,041 |
| The University of Texas - Pan American | 48,245,124 | 48,514,709 |
| The University of Texas at Brownsville | 18,628,098 | 18,854,662 |
| The University of Texas of the Permian Basin | 11,810,402 | 11,846,775 |
| The University of Texas at San Antonio | 63,933,962 | 64,386,162 |
| The University of Texas at Tyler | 21,565,913 | 20,974,939 |
| Texas A&M University System Administrative and General Offices | 2,823,320 | 573,241 |
| Texas A&M University | 194,584,303 | 195,400,586 |
| Texas A&M University at Galveston | 10,482,833 | 10,530,143 |
| Prairie View A&M University | 48,425,734 | 48,849,406 |
| Tarleton State University | 27,640,927 | 27,800,058 |
| Texas A&M University - Corpus Christi | 40,087,465 | 40,291,620 |
| Texas A&M University - Kingsville | 33,742,972 | 32,424,959 |
| Texas A&M International University | 29,158,538 | 29,206,851 |
| West Texas A&M University | 25,408,195 | 25,657,412 |
| Texas A&M University - Commerce | 30,782,833 | 31,020,159 |
| Texas A&M University - Texarkana | 9,801,508 | 9,881,941 |
| University of Houston System Administration | 2,541,861 | 2,545,629 |
| University of Houston | 128,989,330 | 129,461,117 |
| University of Houston - Clear Lake | 27,887,369 | 27,965,435 |
| University of Houston - Downtown | 21,626,599 | 21,725,817 |
| University of Houston - Victoria | 10,994,398 | 11,025,116 |
| Midwestern State University | 18,097,370 | 18,226,542 |
| University of North Texas System Administration | 3,546,233 | 3,681,115 |
| University of North Texas | 92,634,758 | 93,118,113 |
| Stephen F. Austin State University | 36,244,605 | 36,479,816 |

# RECAPITULATION - ARTICLE III
# AGENCIES OF EDUCATION
## (General Revenue)
(Continued)

| | | |
|---|---|---|
| Texas Southern University | 48,577,085 | 48,645,404 |
| Texas Tech University System Administration | 449,606 | 449,606 |
| Texas Tech University | 108,816,989 | 108,831,787 |
| Texas Woman's University | 41,659,265 | 41,851,780 |
| Board of Regents, Texas State University System Central Office | 1,228,162 | 1,230,022 |
| Angelo State University | 24,990,509 | 25,171,865 |
| Lamar University - Beaumont | 31,377,891 | 31,568,398 |
| Lamar University Institute of Technology | 8,777,482 | 8,762,519 |
| Lamar University - Orange | 5,698,124 | 5,695,098 |
| Lamar University - Port Arthur | 8,639,897 | 8,636,513 |
| Sam Houston State University | 37,686,306 | 37,731,406 |
| Southwest Texas State University | 69,502,981 | 69,923,476 |
| Sul Ross State University | 13,972,597 | 14,009,177 |
| Sul Ross State University Rio Grande College | 4,989,092 | 5,000,423 |
| The University of Texas Southwestern Medical Center at Dallas | 92,412,470 | 92,390,612 |
| The University of Texas Medical Branch at Galveston | 210,462,828 | 210,233,092 |
| The University of Texas Health Science Center at Houston | 121,656,635 | 121,709,209 |
| The University of Texas Health Science Center at San Antonio | 111,926,923 | 111,261,807 |
| The University of Texas M.D. Anderson Cancer Center | 135,540,043 | 135,421,656 |
| The University of Texas Health Center at Tyler | 32,304,266 | 32,285,811 |
| Texas A&M University System Health Science Center | 57,450,724 | 56,084,916 |
| University of North Texas Health Science Center at Fort Worth | 42,842,941 | 42,779,158 |
| Texas Tech University Health Sciences Center | 93,158,255 | 91,663,579 |
| Public Community/Junior Colleges | 755,031,273 | 755,031,274 |
| Texas State Technical College System Administration | 3,116,139 | 3,116,139 |
| Texas State Technical College - Harlingen | 14,950,526 | 14,950,526 |
| Texas State Technical College - West Texas | 10,215,265 | 10,215,265 |
| Texas State Technical College - Marshall | 3,826,076 | 3,826,076 |
| Texas State Technical College - Waco | 22,694,671 | 22,694,671 |
| Texas Agricultural Experiment Station | 53,589,522 | 53,589,524 |
| Texas Cooperative Extension | 41,496,035 | 41,496,035 |
| Texas Engineering Experiment Station | 12,350,121 | 12,350,123 |
| Texas Transportation Institute | 4,582,694 | 4,584,886 |
| Texas Engineering Extension Service | 6,216,156 | 6,315,375 |
| Texas Forest Service | 15,480,979 | 15,480,981 |
| Texas Wildlife Damage Management Service | 3,476,708 | 3,476,708 |
| Texas Veterinary Medical Diagnostic Laboratory | 5,047,487 | 5,047,488 |
| Texas Food and Fibers Commission | 1,484,011 | 1,484,012 |
| Subtotal, Agencies of Education | $ 17,446,638,874 | $ 15,867,054,311 |
| Retirement and Group Insurance | 16,993,104 | 16,805,719 |
| Social Security and Benefit Replacement Pay | 166,528,369 | 169,749,661 |
| Subtotal, Employee Benefits | $ 183,521,473 | $ 186,555,380 |

## RECAPITULATION - ARTICLE III
## AGENCIES OF EDUCATION
## (General Revenue)
(Continued)

| | | |
|---|---|---|
| Bond Debt Service Payments | 828,792 | 1,144,221 |
| Lease Payments | 8,252,533 | 8,258,547 |
| Subtotal, Debt Service | $ 9,081,325 | $ 9,402,768 |
| TOTAL, ARTICLE III - AGENCIES OF EDUCATION | $ 17,639,241,672 | $ 16,063,012,459 |

## RECAPITULATION - ARTICLE III
## AGENCIES OF EDUCATION
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Education Agency | $ 119,742,960 | $ 121,842,960 |
| Teacher Retirement System | 54,895,592 | 43,230,278 |
| Optional Retirement Program | 20,974,880 | 22,023,624 |
| Higher Education Coordinating Board | 3,725,757 | 3,725,758 |
| The University of Texas at Arlington | 38,532,162 | 39,667,912 |
| The University of Texas at Austin | 135,628,865 | 138,304,422 |
| The University of Texas at Dallas | 28,976,992 | 29,505,754 |
| The University of Texas at El Paso | 25,050,902 | 25,893,392 |
| The University of Texas - Pan American | 18,080,373 | 18,780,196 |
| The University of Texas at Brownsville | 3,755,206 | 3,876,356 |
| The University of Texas of the Permian Basin | 3,422,463 | 3,556,538 |
| The University of Texas at San Antonio | 28,983,501 | 30,031,679 |
| The University of Texas at Tyler | 4,189,407 | 4,361,990 |
| Texas A&M University System Administrative and General Offices | 3,072,000 | 3,072,000 |
| Texas A&M University | 84,400,644 | 86,538,402 |
| Texas A&M University at Galveston | 3,632,382 | 3,724,043 |
| Prairie View A&M University | 12,630,427 | 14,139,409 |
| Tarleton State University | 10,880,181 | 11,238,014 |
| Texas A&M University - Corpus Christi | 9,700,337 | 10,038,981 |
| Texas A&M University - Kingsville | 9,479,522 | 9,767,717 |
| Texas A&M International University | 4,405,077 | 4,554,651 |
| West Texas A&M University | 8,733,661 | 9,049,567 |
| Texas A&M University - Commerce | 10,851,302 | 11,196,595 |
| Texas A&M University - Texarkana | 1,428,971 | 1,480,895 |
| University of Houston | 61,767,562 | 63,100,635 |
| University of Houston - Clear Lake | 10,109,865 | 10,389,904 |
| University of Houston - Downtown | 12,659,003 | 13,109,267 |
| University of Houston - Victoria | 2,065,697 | 2,139,653 |
| Midwestern State University | 7,542,495 | 7,838,909 |
| University of North Texas | 42,898,826 | 44,186,892 |
| Stephen F. Austin State University | 15,031,664 | 15,616,898 |
| Texas Southern University | 18,761,314 | 19,152,769 |
| Texas Tech University | 47,323,504 | 48,632,505 |
| Texas Woman's University | 12,418,479 | 12,818,264 |
| Angelo State University | 7,515,235 | 7,801,982 |
| Lamar University - Beaumont | 11,395,876 | 11,786,106 |
| Lamar University Institute of Technology | 2,293,014 | 2,378,166 |
| Lamar University - Orange | 1,632,542 | 1,683,474 |
| Lamar University - Port Arthur | 2,608,930 | 2,718,360 |
| Sam Houston State University | 22,310,682 | 23,910,715 |
| Southwest Texas State University | 31,748,863 | 32,935,604 |
| Sul Ross State University | 2,350,774 | 2,438,074 |
| Sul Ross State University Rio Grande College | 954,726 | 995,009 |
| The University of Texas Southwestern Medical Center at Dallas | 51,474,428 | 52,759,399 |
| The University of Texas Medical Branch at Galveston | 23,673,766 | 23,749,432 |
| The University of Texas Health Science Center at Houston | 29,800,962 | 30,821,375 |
| The University of Texas Health Science Center at San Antonio | 21,542,848 | 21,620,447 |
| The University of Texas M.D. Anderson Cancer Center | 59,902,868 | 64,854,789 |
| The University of Texas Health Center at Tyler | 815,867 | 831,242 |

## RECAPITULATION - ARTICLE III
## AGENCIES OF EDUCATION
## (General Revenue - Dedicated)
(Continued)

| | | |
|---|---|---|
| Texas A&M University System Health Science Center | 5,925,462 | 5,925,462 |
| University of North Texas Health Science Center at Fort Worth | 5,826,357 | 5,903,548 |
| Texas Tech University Health Sciences Center | 8,323,045 | 8,435,282 |
| Texas State Technical College System Administration | 412,584 | 420,115 |
| Texas State Technical College - Harlingen | 3,599,675 | 3,742,857 |
| Texas State Technical College - West Texas | 2,166,925 | 2,249,083 |
| Texas State Technical College - Marshall | 763,738 | 763,076 |
| Texas State Technical College - Waco | 4,825,328 | 5,025,107 |
| Texas Agricultural Experiment Station | 816,250 | 805,000 |
| Texas Cooperative Extension | 41,250 | 30,000 |
| Texas Engineering Experiment Station | 4,061,847 | 4,065,042 |
| Texas Transportation Institute | 1,465,592 | 1,511,970 |
| Texas Engineering Extension Service | 4,279,571 | 4,387,517 |
| Texas Forest Service | 15,434,000 | 15,434,000 |
| Subtotal, Agencies of Education | $ 1,203,714,978 | $ 1,226,569,062 |
| Retirement and Group Insurance | 115,271 | 115,435 |
| Social Security and Benefit Replacement Pay | 35,504,455 | 36,235,173 |
| Subtotal, Employee Benefits | $ 35,619,726 | $ 36,350,608 |
| Article III, Special Provisions, Rider Appropriations | 450,000 | 450,000 |
| TOTAL, ARTICLE III - AGENCIES OF EDUCATION | $ 1,239,784,704 | $ 1,263,369,670 |

## RECAPITULATION - ARTICLE III
## AGENCIES OF EDUCATION
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Education Agency | $ 3,263,215,279 | $ 3,288,615,281 |
| School for the Blind and Visually Impaired | 2,432,949 | 2,295,849 |
| School for the Deaf | 1,020,250 | 992,893 |
| Higher Education Coordinating Board | 56,229,015 | 56,229,015 |
| Texas Agricultural Experiment Station | 6,455,093 | 6,455,093 |
| Texas Cooperative Extension | 9,982,462 | 9,982,462 |
| Texas Engineering Experiment Station | 38,694,179 | 38,694,179 |
| Texas Transportation Institute | 3,198,073 | 3,279,359 |
| Texas Engineering Extension Service | 18,802,583 | 19,188,391 |
| Texas Forest Service | 3,536,199 | 3,536,199 |
| Texas Food and Fibers Commission | 519,210 | 519,210 |
| Subtotal, Agencies of Education | $ 3,404,085,292 | $ 3,429,787,931 |
| Retirement and Group Insurance | 2,917,678 | 2,860,400 |
| Social Security and Benefit Replacement Pay | 1,334,593 | 1,337,459 |
| Subtotal, Employee Benefits | $ 4,252,271 | $ 4,197,859 |
| TOTAL, ARTICLE III - AGENCIES OF EDUCATION | $ 3,408,337,563 | $ 3,433,985,790 |

# RECAPITULATION - ARTICLE III
# AGENCIES OF EDUCATION
# (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Education Agency | $ 1,110,829,853 | $ 1,254,637,200 |
| School for the Blind and Visually Impaired | 936,377 | 936,377 |
| School for the Deaf | 2,749,036 | 2,776,393 |
| Teacher Retirement System | 45,753,943 | 44,552,365 |
| Higher Education Coordinating Board | 17,618,585 | 17,614,586 |
| Available University Fund | 363,849,946 | 350,086,651 |
| The University of Texas - Pan American | 329,883 | 329,883 |
| Texas A&M University | 2,225,000 | 2,150,000 |
| Texas A&M International University | 198,880 | 198,880 |
| The University of Texas Medical Branch at Galveston | 270,782,892 | 270,782,892 |
| The University of Texas Health Science Center at Houston | 2,947,399 | 2,955,203 |
| The University of Texas Health Science Center at San Antonio | 883,572 | 882,492 |
| The University of Texas M.D. Anderson Cancer Center | 900,205,092 | 1,005,281,580 |
| The University of Texas Health Center at Tyler | 48,557,331 | 49,472,379 |
| Texas A&M University System Health Science Center | 2,669,447 | 2,704,414 |
| Texas Agricultural Experiment Station | 4,738,927 | 4,738,927 |
| Texas Cooperative Extension | 7,497,689 | 7,497,689 |
| Texas Engineering Experiment Station | 19,108,525 | 19,108,525 |
| Texas Transportation Institute | 25,120,336 | 25,705,549 |
| Texas Engineering Extension Service | 31,868,232 | 32,663,486 |
| Texas Forest Service | 1,761,250 | 1,761,250 |
| Texas Veterinary Medical Diagnostic Laboratory | 5,654,115 | 5,654,115 |
| Texas Food and Fibers Commission | 3,061,418 | 3,061,418 |
| Subtotal, Agencies of Education | $ 2,869,347,728 | $ 3,105,552,254 |
| Social Security and Benefit Replacement Pay | 6,369,810 | 6,466,576 |
| Subtotal, Employee Benefits | $ 6,369,810 | $ 6,466,576 |
| Less Interagency Contracts | $ 43,958,133 | $ 44,483,965 |
| TOTAL, ARTICLE III - AGENCIES OF EDUCATION | $ 2,831,759,405 | $ 3,067,534,865 |

# RECAPITULATION - ARTICLE III
# AGENCIES OF EDUCATION
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Education Agency | $ 15,139,797,995 | $ 14,225,876,536 |
| State Board for Educator Certification | 16,062,857 | 16,515,020 |
| Rider Appropriations | 1,090,433 | 1,142,369 |
| Total | 17,153,290 | 17,657,389 |
| School for the Blind and Visually Impaired | 14,881,475 | 14,650,676 |
| School for the Deaf | 18,263,817 | 18,264,400 |
| Teacher Retirement System | 2,080,201,818 | 1,621,986,244 |
| Rider Appropriations | 33,350,443 | 33,350,443 |
| Total | 2,113,552,261 | 1,655,336,687 |
| Optional Retirement Program | 115,840,902 | 117,418,754 |
| Higher Education Employees Group Insurance Contributions | 411,402,448 | 411,402,448 |
| Higher Education Coordinating Board | 468,267,037 | 414,235,120 |
| Rider Appropriations | 137,304 | 0 |
| Total | 468,404,341 | 414,235,120 |
| Higher Education Fund | 187,949,721 | 189,185,161 |
| Texas Excellence Fund | 10,894,765 | 11,633,294 |
| University Research Fund | 10,894,765 | 11,633,294 |
| The University of Texas System Administration | 6,284,881 | 6,284,383 |
| Available University Fund | 363,849,946 | 350,086,651 |
| The University of Texas at Arlington | 116,484,287 | 118,064,856 |
| The University of Texas at Austin | 362,692,988 | 367,396,424 |
| The University of Texas at Dallas | 83,085,067 | 83,796,795 |
| The University of Texas at El Paso | 80,005,884 | 81,623,433 |
| The University of Texas - Pan American | 66,655,380 | 67,624,788 |
| The University of Texas at Brownsville | 22,383,304 | 22,731,018 |
| The University of Texas of the Permian Basin | 15,232,865 | 15,403,313 |
| The University of Texas at San Antonio | 92,917,463 | 94,417,841 |
| The University of Texas at Tyler | 25,755,320 | 25,336,929 |
| Texas A&M University System Administrative and General Offices | 5,895,320 | 3,645,241 |
| Texas A&M University | 281,209,947 | 284,088,988 |
| Texas A&M University at Galveston | 14,115,215 | 14,254,186 |
| Prairie View A&M University | 61,056,161 | 62,988,815 |
| Tarleton State University | 38,521,108 | 39,038,072 |
| Texas A&M University - Corpus Christi | 49,787,802 | 50,330,601 |
| Texas A&M University - Kingsville | 43,222,494 | 42,192,676 |
| Texas A&M International University | 33,762,495 | 33,960,382 |
| West Texas A&M University | 34,141,856 | 34,706,979 |
| Texas A&M University - Commerce | 41,634,135 | 42,216,754 |
| Texas A&M University - Texarkana | 11,230,479 | 11,362,836 |
| University of Houston System Administration | 2,541,861 | 2,545,629 |
| University of Houston | 190,756,892 | 192,561,752 |
| University of Houston - Clear Lake | 37,997,234 | 38,355,339 |
| University of Houston - Downtown | 34,285,602 | 34,835,084 |
| University of Houston - Victoria | 13,060,095 | 13,164,769 |
| Midwestern State University | 25,639,865 | 26,065,451 |
| University of North Texas System Administration | 3,546,233 | 3,681,115 |
| University of North Texas | 135,533,584 | 137,305,005 |

# RECAPITULATION - ARTICLE III
# AGENCIES OF EDUCATION
# (All Funds)
(Continued)

| | | |
|---|---|---|
| Stephen F. Austin State University | 51,276,269 | 52,096,714 |
| Texas Southern University | 67,338,399 | 67,798,173 |
| Texas Tech University System Administration | 449,606 | 449,606 |
| Texas Tech University | 156,140,493 | 157,464,292 |
| Texas Woman's University | 54,077,744 | 54,670,044 |
| Board of Regents, Texas State University System Central Office | 1,228,162 | 1,230,022 |
| Angelo State University | 32,505,744 | 32,973,847 |
| Lamar University - Beaumont | 42,773,767 | 43,354,504 |
| Lamar University Institute of Technology | 11,070,496 | 11,140,685 |
| Lamar University - Orange | 7,330,666 | 7,378,572 |
| Lamar University - Port Arthur | 11,248,827 | 11,354,873 |
| Sam Houston State University | 59,996,988 | 61,642,121 |
| Southwest Texas State University | 101,251,844 | 102,859,080 |
| Sul Ross State University | 16,323,371 | 16,447,251 |
| Sul Ross State University Rio Grande College | 5,943,818 | 5,995,432 |
| The University of Texas Southwestern Medical Center at Dallas | 143,886,898 | 145,150,011 |
| The University of Texas Medical Branch at Galveston | 504,919,486 | 504,765,416 |
| The University of Texas Health Science Center at Houston | 154,404,996 | 155,485,787 |
| The University of Texas Health Science Center at San Antonio | 134,353,343 | 133,764,746 |
| The University of Texas M.D. Anderson Cancer Center | 1,095,648,003 | 1,205,558,025 |
| The University of Texas Health Center at Tyler | 81,677,464 | 82,589,432 |
| Texas A&M University System Health Science Center | 66,045,633 | 64,714,792 |
| University of North Texas Health Science Center at Fort Worth | 48,669,298 | 48,682,706 |
| Texas Tech University Health Sciences Center | 101,481,300 | 100,098,861 |
| Public Community/Junior Colleges | 755,031,273 | 755,031,274 |
| Texas State Technical College System Administration | 3,528,723 | 3,536,254 |
| Texas State Technical College - Harlingen | 18,550,201 | 18,693,383 |
| Texas State Technical College - West Texas | 12,382,190 | 12,464,348 |
| Texas State Technical College - Marshall | 4,589,814 | 4,589,152 |
| Texas State Technical College - Waco | 27,519,999 | 27,719,778 |
| Texas Agricultural Experiment Station | 65,599,792 | 65,588,544 |
| Texas Cooperative Extension | 59,017,436 | 59,006,186 |
| Texas Engineering Experiment Station | 74,214,672 | 74,217,869 |
| Texas Transportation Institute | 34,366,695 | 35,081,764 |
| Texas Engineering Extension Service | 61,166,542 | 62,554,769 |
| Texas Forest Service | 36,212,428 | 36,212,430 |
| Texas Wildlife Damage Management Service | 3,476,708 | 3,476,708 |
| Texas Veterinary Medical Diagnostic Laboratory | 10,701,602 | 10,701,603 |
| Texas Food and Fibers Commission | 5,064,639 | 5,064,640 |
| Subtotal, Agencies of Education | $ 24,923,786,872 | $ 23,628,963,558 |
| Retirement and Group Insurance | 20,026,053 | 19,781,554 |
| Social Security and Benefit Replacement Pay | 209,737,227 | 213,788,869 |
| Subtotal, Employee Benefits | $ 229,763,280 | $ 233,570,423 |
| Bond Debt Service Payments | 828,792 | 1,144,221 |
| Lease Payments | 8,252,533 | 8,258,547 |

## RECAPITULATION - ARTICLE III
## AGENCIES OF EDUCATION
## (All Funds)
(Continued)

| | | |
|---|---|---|
| Subtotal, Debt Service | $ 9,081,325 | $ 9,402,768 |
| Article III, Special Provisions, Rider Appropriations | 450,000 | 450,000 |
| Less Interagency Contracts | $ 43,958,133 | $ 44,483,965 |
| TOTAL, ARTICLE III - AGENCIES OF EDUCATION | $ 25,119,123,344 | $ 23,827,902,784 |
| Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds | 77,256.3 | 77,678.5 |

# ARTICLE IV

# THE JUDICIARY

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the Judiciary and other judicial service units of the state.

## SUPREME COURT OF TEXAS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Disposition Rate | 105% | 105% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 3,999,172 | $ 3,999,172 & UB |
| **Efficiencies:** | | |
| Average Number of Days since Filing of All Matters Pending in the Supreme Court | 100 | 100 |
| **A.1.2. Strategy:** BASIC CIVIL LEGAL SERVICES | $ 3,250,000 | $ 3,250,000 & UB |
| **Total, Goal A:** APPELLATE COURT OPERATIONS | $ 7,249,172 | $ 7,249,172 |
| **Grand Total,** SUPREME COURT OF TEXAS | $ 7,249,172 | $ 7,249,172 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 3,999,172 | $ 3,999,172 |
| Judicial Fund No. 573 | 3,250,000 | 3,250,000 |
| **Total, Method of Financing** | $ 7,249,172 | $ 7,249,172 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 65.0 | 65.0 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $115,000 | $115,000 |
| Justice | (8) 113,000 | (8) 113,000 |
| **Supplemental Appropriations Made in Riders:** | $ 3,700,000 | $ 0 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 3,676,932 | $ 3,676,932 |
| Other Personnel Costs | 64,280 | 64,280 |
| Consumable Supplies | 45,000 | 45,000 |
| Travel | 10,000 | 10,000 |
| Rent - Machine and Other | 65,000 | 65,000 |
| Other Operating Expense | 137,960 | 137,960 |
| Grants | 6,950,000 | 3,250,000 |
| **Total, Object-of-Expense Informational Listing** | $ 10,949,172 | $ 7,249,172 |

1. **Equalization.** It is the intent of the Legislature that the Supreme Court equalize the dockets of the fourteen courts of appeals. Equalization shall be considered achieved if the new cases filed each year per justice are equalized by 10 percent or less among all the courts of appeals.

## SUPREME COURT OF TEXAS
(Continued)

2. **Appropriation: Basic Civil Legal Services.** All fees deposited into the Basic Civil Legal Services account of the Judicial Fund are appropriated above in Strategy A.1.2, Basic Civil Legal Services. Any fees deposited in excess of $3,250,000 in fiscal year 2004 and $3,250,000 in fiscal year 2005 are hereby appropriated to the Supreme Court for the same purpose. Any unexpended balances in the Basic Civil Legal Services account at the end of fiscal year 2003 are hereby appropriated to the Supreme Court in fiscal year 2004 for the same purpose (estimated to be $3,700,000).

   The Supreme Court of Texas shall file a report with the Legislative Budget Board and the Governor within 90 days following February 28 and August 31 of each fiscal year showing disbursements from the Basic Civil Legal Services Account of Judicial Fund No. 573, the purpose for each disbursement, and compliance with grant conditions.

## COURT OF CRIMINAL APPEALS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Disposition Rate for Petitions for Discretionary Review Which Are Granted | 79% | 79% |
| Disposition Rate for Death Penalty Cases | 37% | 37% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 4,098,517 | $ 4,098,517 & UB |
| **Efficiencies:** | | |
| Average Time (in Days) from the Time Petitions for Discretionary Review Are Granted until Disposition | 282 | 282 |
| Average Time from Time Filed to Disposition in Death Penalty Cases | 638 | 638 |
| **B. Goal:** JUDICIAL EDUCATION | | |
| **B.1.1. Strategy:** JUDICIAL EDUCATION | $ 8,733,755 | $ 8,733,755 & UB |
| **Grand Total,** COURT OF CRIMINAL APPEALS | $ 12,832,272 | $ 12,832,272 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 4,098,517 | $ 4,098,517 |
| Judicial and Court Personnel Training Fund No. 540 | 8,733,755 | 8,733,755 |
| **Total, Method of Financing** | $ 12,832,272 | $ 12,832,272 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 68.0 | 68.0 |
| **Schedule of Exempt Positions:** | | |
| Presiding Judge | $115,000 | $115,000 |
| Judge | (8) 113,000 | (8) 113,000 |
| **Supplemental Appropriations Made in Riders:** | $ 225,000 | $ 0 |

## COURT OF CRIMINAL APPEALS
(Continued)

| | | |
|---|---|---|
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 3,958,220 | $ 3,958,220 |
| Other Personnel Costs | 45,660 | 45,660 |
| Operating Costs | 172,996 | 172,996 |
| Grants | 8,880,396 | 8,655,396 |
| **Total, Object-of-Expense Informational Listing** | $ 13,057,272 | $ 12,832,272 |

1. **Judicial Education.**

   a. The Court of Criminal Appeals may assign to the Office of Court Administration or to any other agency of the Judicial Branch the necessary administrative and accounting functions for the Judicial and Court Personnel Training Fund appropriation included in this Act to be performed under the direction of the Court of Criminal Appeals in compliance with Government Code § 56. To implement this provision, the Comptroller is authorized to transfer the appropriation from the Court of Criminal Appeals to the Office of Court Administration, or to any other agency of the Judicial Branch, as directed by order of the Court of Criminal Appeals. Of the amount appropriated for Strategy B.1.1, Judicial Education, $475,000 in fiscal year 2004 and $475,000 and unexpended balances in fiscal year 2005 shall be expended for the continuing legal education of judges of county courts performing judicial functions.

   b. None of the funds appropriated above in Strategy B.1.1, Judicial Education, in excess of 3 percent of the appropriated amount in any fiscal year shall be expended for the administration of the judicial education function. For the purposes of this provision, the term administration shall include, but not be limited to, administrative oversight functions, accounting and auditing functions, management studies, performance audits, and other studies initiated by the Court of Criminal Appeals or the Office of Court Administration.

   c. Funds expended by either the Court of Criminal Appeals or the Office of Court Administration, out of the appropriation made above out of the Judicial and Court Personnel Training Fund, for the purpose of conducting management studies, performance audits, or other studies, shall be expended only in accordance with a competitive bidding process.

2. **Limitation, Judicial and Court Personnel Training.** Out of the funds appropriated above in Strategy B.1.1, Judicial Education, $1,000,000 in the first year of the biennium and $1,000,000 and unexpended balances in the second year of the biennium may be expended only to provide for the training and continuing legal education of the clerks and other court personnel of the appellate courts, district courts, county courts at law, county courts, justice courts, and municipal courts of this State in accordance with Government Code § 74.025.

3. **Continuing Education and Technical Assistance for Prosecutors and Criminal Defense Attorneys.**

   a. The Court of Criminal Appeals is authorized to contract with a statewide professional association of prosecuting attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for prosecutors and prosecutor office personnel, provided, however, that such contract shall not exceed $1,400,000 in fiscal year 2004 and $1,400,000 and unexpended balances in fiscal year 2005.

   b. The Court of Criminal Appeals is authorized to contract with a statewide professional association of criminal defense attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for criminal defense

attorneys who regularly represent indigent defendants in criminal matters, provided, however, that such contract shall not exceed $1,250,000 in fiscal year 2004 and $1,250,000 and unexpended balances in fiscal year 2005.

c. Funds may be expended pursuant to this provision only out of the appropriation made above out of the Judicial and Court Personnel Training Fund No. 540.

4. **Judicial Education: Reimbursement for Travel Expenses.** Funds appropriated above in Strategy B.1.1, Judicial Education, for the purposes established in § 56.003(b) of the Government Code, may be granted only pursuant to a grant contract which provides for the reimbursement of expenses of judges pursuant to the provisions of § 74.062 of the Government Code. This provision shall not apply to funds granted for the purpose of providing continuing legal education for judges of county courts performing judicial functions.

5. **Judicial and Court Personnel Training Report.** The Court of Criminal Appeals shall file a report with the Legislative Budget Board and the Governor within 90 days following February 28 and August 31 of each fiscal year showing disbursements from Judicial and Court Personnel Training Fund No. 540, the purpose for each disbursement, and compliance with grant conditions.

6. **Judicial Ethics Education, Programs, and Assistance.** Out of the amounts appropriated above in Strategy B.1.1, Judicial Education, $121,700 in fiscal year 2004 and $121,700 in fiscal year 2005 shall be expended in the form of interagency contracts with the State Commission on Judicial Conduct for providing judges with judicial ethics education, programs, and assistance.

7. **Appropriation: Refunds of Unexpended Balances from Training Entities.** The Court of Criminal Appeals shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held at the close of the 2002–03 biennium and at the close of fiscal year 2004 by entities receiving appropriations to conduct judicial and court personnel training. All fiscal year 2002–03 refunds received by the Court of Criminal Appeals are appropriated to Strategy B.1.1, Judicial Education, in fiscal year 2004 (estimated to be $225,000). Further, all fiscal year 2004 refunds received by the Court of Criminal Appeals are appropriated to Strategy B.1.1, Judicial Education, in fiscal year 2005.

## FIRST COURT OF APPEALS DISTRICT, HOUSTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 2.5% | 2.5% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 2.5% | 2.5% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 2,667,970 | $ 2,667,971 & UB |
| **Grand Total,** FIRST COURT OF APPEALS DISTRICT, HOUSTON | $ 2,667,970 | $ 2,667,971 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 43.0 | 43.0 |

## FIRST COURT OF APPEALS DISTRICT, HOUSTON
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (8) 107,350 | | (8) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,550,082 | $ | 2,550,083 |
| Other Personnel Costs | | 31,600 | | 31,600 |
| Consumable Supplies | | 11,000 | | 11,000 |
| Travel | | 8,000 | | 8,000 |
| Rent - Machine and Other | | 14,000 | | 14,000 |
| Other Operating Expense | | 53,288 | | 53,288 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,667,970 | $ | 2,667,971 |

## SECOND COURT OF APPEALS DISTRICT, FORT WORTH

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | | | |
| **Outcome (Results/Impact):** | | | | |
| Clearance Rate | | 100% | | 100% |
| Average Percent of Cases under Submission for More than 12 Months | | 1.5% | | 1.5% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | | .5% | | .5% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ | 2,172,760 | $ | 2,172,760 & UB |
| **Grand Total,** SECOND COURT OF APPEALS DISTRICT, FORT WORTH | $ | 2,172,760 | $ | 2,172,760 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 38.0 | | 38.0 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (6) 107,350 | | (6) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,034,313 | $ | 2,034,312 |
| Other Personnel Costs | | 14,000 | | 14,000 |
| Consumable Supplies | | 12,526 | | 12,527 |
| Travel | | 15,000 | | 15,000 |
| Rent - Building | | 14 | | 14 |
| Rent - Machine and Other | | 928 | | 928 |
| Other Operating Expense | | 78,979 | | 78,979 |
| Capital Expenditures | | 17,000 | | 17,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,172,760 | $ | 2,172,760 |

## THIRD COURT OF APPEALS DISTRICT, AUSTIN

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 0% | 0% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 0% | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,943,426 | $ 1,943,426 & UB |
| **Grand Total,** THIRD COURT OF APPEALS DISTRICT, AUSTIN | $ 1,943,426 | $ 1,943,426 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 32.0 | 32.0 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (5) 107,350 | (5) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,833,336 | $ 1,833,336 |
| Other Personnel Costs | 14,550 | 14,550 |
| Consumable Supplies | 7,900 | 7,900 |
| Travel | 6,000 | 6,000 |
| Rent - Machine and Other | 8,640 | 8,640 |
| Other Operating Expense | 41,000 | 41,000 |
| Capital Expenditures | 32,000 | 32,000 |
| **Total, Object-of-Expense Informational Listing** | $ 1,943,426 | $ 1,943,426 |

## FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 1% | 1% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 1% | 1% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 2,115,888 | $ 2,115,888 & UB |
| **Grand Total,** FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO | $ 2,115,888 | $ 2,115,888 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 35.0 | 35.0 |

## FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (6) 107,350 | | (6) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,028,801 | $ | 2,056,817 |
| Other Personnel Costs | | 12,076 | | 8,071 |
| Operating Costs | | 68,000 | | 50,000 |
| Capital Expenditures | | 7,011 | | 1,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,115,888 | $ | 2,115,888 |

## FIFTH COURT OF APPEALS DISTRICT, DALLAS

| | For the Years Ending | | | |
|---|---|---|---|---|
| | | August 31, 2004 | | August 31, 2005 |
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | | | |
| **Outcome (Results/Impact):** | | | | |
| Clearance Rate | | 100% | | 100% |
| Average Percent of Cases under Submission for More than 12 Months | | 4% | | 4% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | | 1% | | 1% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ | 3,646,638 | $ | 3,646,638 & UB |
| **Grand Total,** FIFTH COURT OF APPEALS DISTRICT, DALLAS | $ | 3,646,638 | $ | 3,646,638 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 53.5 | | 53.5 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (12) 107,350 | | (12) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,485,685 | $ | 3,485,685 |
| Other Personnel Costs | | 24,000 | | 24,000 |
| Operating Costs | | 136,953 | | 136,953 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,646,638 | $ | 3,646,638 |

## SIXTH COURT OF APPEALS DISTRICT, TEXARKANA

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 0% | 0% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 0% | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,044,748 | $ 1,044,748 & UB |
| **Grand Total,** SIXTH COURT OF APPEALS DISTRICT, TEXARKANA | $ 1,044,748 | $ 1,044,748 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 17.5 | 17.5 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (2) 107,350 | (2) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 982,759 | $ 982,758 |
| Other Personnel Costs | 6,180 | 7,400 |
| Consumable Supplies | 6,000 | 6,000 |
| Utilities | 8,000 | 8,000 |
| Travel | 11,000 | 11,000 |
| Rent - Building | 2,400 | 2,400 |
| Rent - Machine and Other | 1,200 | 1,200 |
| Other Operating Expense | 27,209 | 25,990 |
| **Total, Object-of-Expense Informational Listing** | $ 1,044,748 | $ 1,044,748 |

## SEVENTH COURT OF APPEALS DISTRICT, AMARILLO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 1% | 1% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 1% | 1% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,404,068 | $ 1,404,068 & UB |
| **Grand Total,** SEVENTH COURT OF APPEALS DISTRICT, AMARILLO | $ 1,404,068 | $ 1,404,068 |

## SEVENTH COURT OF APPEALS DISTRICT, AMARILLO
(Continued)

| | | | | |
|---|---|---|---|---|
| **Number of Full-Time-Equivalent Positions (FTE):** | | 21.5 | | 21.5 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (3) 107,350 | | (3) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,308,452 | $ | 1,308,451 |
| Other Personnel Costs | | 10,000 | | 10,000 |
| Consumable Supplies | | 12,500 | | 12,500 |
| Utilities | | 4,500 | | 4,500 |
| Travel | | 10,500 | | 10,500 |
| Rent - Machine and Other | | 500 | | 500 |
| Other Operating Expense | | 57,616 | | 57,617 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,404,068 | $ | 1,404,068 |

## EIGHTH COURT OF APPEALS DISTRICT, EL PASO

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | | | |
| **Outcome (Results/Impact):** | | | | |
| Clearance Rate | | 100% | | 100% |
| Average Percent of Cases under Submission for More than 12 Months | | 0% | | 0% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | | 0% | | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ | 1,353,980 | $ | 1,353,980 & UB |
| **Grand Total,** EIGHTH COURT OF APPEALS DISTRICT, EL PASO | $ | 1,353,980 | $ | 1,353,980 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 22.0 | | 22.0 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (3) 107,350 | | (3) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,285,194 | $ | 1,285,194 |
| Other Personnel Costs | | 11,000 | | 12,000 |
| Operating Costs | | 57,786 | | 56,786 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,353,980 | $ | 1,353,980 |

## NINTH COURT OF APPEALS DISTRICT, BEAUMONT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 0% | 0% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 0% | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,097,743 | $ 1,097,743 & UB |
| **Grand Total,** NINTH COURT OF APPEALS DISTRICT, BEAUMONT | $ 1,097,743 | $ 1,097,743 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 17.0 | 17.0 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (2) 107,350 | (2) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,067,863 | $ 1,067,863 |
| Other Personnel Costs | 10,360 | 11,700 |
| Consumable Supplies | 4,000 | 4,000 |
| Travel | 6,000 | 6,000 |
| Other Operating Expense | 9,520 | 8,180 |
| **Total, Object-of-Expense Informational Listing** | $ 1,097,743 | $ 1,097,743 |

## TENTH COURT OF APPEALS DISTRICT, WACO

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 2% | 2% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 3% | 3% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,090,698 | $ 1,090,698 & UB |
| **Grand Total,** TENTH COURT OF APPEALS DISTRICT, WACO | $ 1,090,698 | $ 1,090,698 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 17.0 | 17.0 |
| **Schedule of Exempt Positions:** | | |

## TENTH COURT OF APPEALS DISTRICT, WACO
(Continued)

| | | | | |
|---|---|---|---|---|
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (2) 107,350 | | (2) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 948,088 | $ | 948,088 |
| Other Personnel Costs | | 5,000 | | 5,000 |
| Consumable Supplies | | 12,000 | | 12,000 |
| Utilities | | 3,500 | | 3,500 |
| Travel | | 12,000 | | 12,000 |
| Rent - Building | | 1,620 | | 1,620 |
| Rent - Machine and Other | | 1,180 | | 1,180 |
| Other Operating Expense | | 102,310 | | 102,310 |
| Capital Expenditures | | 5,000 | | 5,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,090,698 | $ | 1,090,698 |

## ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | | | |
| **Outcome (Results/Impact):** | | | | |
| Clearance Rate | | 100% | | 100% |
| Average Percent of Cases under Submission for More than 12 Months | | 0% | | 0% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | | 0% | | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ | 1,090,972 | $ | 1,090,972 & UB |
| **Grand Total,** ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND | $ | 1,090,972 | $ | 1,090,972 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 18.0 | | 18.0 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Justice | | $107,850 | | $107,850 |
| Justice | | (2) 107,350 | | (2) 107,350 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,090,972 | $ | 1,090,972 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,090,972 | $ | 1,090,972 |

## TWELFTH COURT OF APPEALS DISTRICT, TYLER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 2% | 2% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 0% | 0% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,096,889 | $ 1,096,889 & UB |
| **Grand Total,** TWELFTH COURT OF APPEALS DISTRICT, TYLER | $ 1,096,889 | $ 1,096,889 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 16.0 | 16.0 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (2) 107,350 | (2) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,034,798 | $ 1,034,799 |
| Other Personnel Costs | 5,520 | 5,520 |
| Operating Costs | 23,518 | 23,518 |
| Consumable Supplies | 6,800 | 6,800 |
| Travel | 5,500 | 5,500 |
| Rent - Machine and Other | 6,853 | 6,853 |
| Other Operating Expense | 5,102 | 5,102 |
| Capital Expenditures | 8,798 | 8,797 |
| **Total, Object-of-Expense Informational Listing** | $ 1,096,889 | $ 1,096,889 |

## THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 5% | 5% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 4% | 4% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 1,934,646 | $ 1,934,646 & UB |
| **Grand Total,** THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI | $ 1,934,646 | $ 1,934,646 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 32.0 | 32.0 |

## THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI
(Continued)

| | | |
|---|---|---|
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (5) 107,350 | (5) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,845,157 | $ 1,845,156 |
| Other Personnel Costs | 10,560 | 10,560 |
| Operating Costs | 41,500 | 41,500 |
| Consumable Supplies | 4,149 | 4,150 |
| Utilities | 16,800 | 16,800 |
| Travel | 15,000 | 15,000 |
| Rent - Machine and Other | 1,480 | 1,480 |
| **Total, Object-of-Expense Informational Listing** | $ 1,934,646 | $ 1,934,646 |

## FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** APPELLATE COURT OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Clearance Rate | 100% | 100% |
| Average Percent of Cases under Submission for More than 12 Months | 4% | 4% |
| Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months | 4% | 4% |
| **A.1.1. Strategy:** APPELLATE COURT OPERATIONS | $ 2,757,405 | $ 2,757,405 & UB |
| **Grand Total,** FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON | $ 2,757,405 | $ 2,757,405 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 43.0 | 43.0 |
| **Schedule of Exempt Positions:** | | |
| Chief Justice | $107,850 | $107,850 |
| Justice | (8) 107,350 | (8) 107,350 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 2,555,072 | $ 2,555,072 |
| Other Personnel Costs | 16,210 | 16,210 |
| Operating Costs | 155,410 | 155,410 |
| Capital Expenditures | 30,713 | 30,713 |
| **Total, Object-of-Expense Informational Listing** | $ 2,757,405 | $ 2,757,405 |

## OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROCESSES AND INFORMATION | | |
| Improve processes and report information. | | |
| **Outcome (Results/Impact):** | | |
| Number of New Collections Programs Implemented or Existing Programs Expanded | 12 | 12 |
| Percent of Entities Reporting Case Statistics Electronically | 25% | 38% |
| Percent of Counties Receiving State Funds for Indigent Defense | 94% | 94% |
| **A.1.1. Strategy:** COURT ADMINISTRATION | $ 2,066,457 | $ 2,067,727 |
| **A.1.2. Strategy:** INFORMATION TECHNOLOGY | $ 3,253,416 | $ 2,229,416 |
| **A.1.3. Strategy:** DOCKET EQUALIZATION | $ 25,000 | $ 25,000 & UB |
| Equalization of the courts of appeals dockets. | | |
| **A.1.4. Strategy:** ASSIST ADMIN JUDICIAL REGIONS | $ 179,390 | $ 179,470 |
| Assistance to the administrative judicial regions. | | |
| **A.1.5. Strategy:** INDIGENT DEFENSE | $ 11,956,913 | $ 11,956,912 & UB |
| Indigent defense standards and services. | | |
| **Total, Goal A:** PROCESSES AND INFORMATION | $ 17,481,176 | $ 16,458,525 |
| **B. Goal:** SPECIALIZED COURT PROGRAMS | | |
| Complete specialized court program cases. | | |
| **Outcome (Results/Impact):** | | |
| Title IV-D Case Disposition Rate | 100% | 100% |
| **B.1.1. Strategy:** TITLE IV-D MASTERS/ASSISTANTS PROG | $ 5,661,596 | $ 5,754,132 |
| Title IV-D Masters and Assistants Program. | | |
| **B.1.2. Strategy:** FOSTER CARE COURTS PROGRAM | $ 1,933,002 | $ 1,933,002 |
| **Output (Volume):** | | |
| Number of Children Who Have Received a Final Order | 1,440 | 1,440 |
| **Total, Goal B:** SPECIALIZED COURT PROGRAMS | $ 7,594,598 | $ 7,687,134 |
| **Grand Total,** OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL | $ 25,075,774 | $ 24,145,659 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 6,013,472 | $ 4,989,552 |
| General Revenue Fund - Dedicated | | |
| Compensation to Victims of Crime Account No. 469 | 1,106,903 | 1,106,903 |
| Fair Defense Account No. 5073 | 11,956,913 | 11,956,912 |
| Subtotal, General Revenue Fund - Dedicated | $ 13,063,816 | $ 13,063,815 |
| Other Funds | | |
| Interagency Contracts | 5,819,576 | 5,913,382 |
| Criminal Justice Grants | 178,910 | 178,910 |
| Subtotal, Other Funds | $ 5,998,486 | $ 6,092,292 |
| **Total, Method of Financing** | $ 25,075,774 | $ 24,145,659 |

| | | | | |
|---|---|---|---|---|
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 7,282 | $ | 7,397 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 179.0 | | 179.0 |
| **Number of FTEs in Riders:** | | 3.0 | | 3.0 |
| **Schedule of Exempt Positions:** | | | | |
| Administrative Director, Group 4 | | $98,000 | | $98,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 492,632 | $ | 223,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 9,999,113 | $ | 10,088,470 |
| Other Personnel Costs | | 136,854 | | 140,114 |
| Operating Costs | | 2,696,042 | | 1,684,319 |
| Professional Fees and Services | | 435,673 | | 433,273 |
| Consumable Supplies | | 95,585 | | 95,585 |
| Utilities | | 4,834 | | 4,834 |
| Travel | | 238,182 | | 238,074 |
| Rent - Building | | 100 | | 100 |
| Rent - Machine and Other | | 10,900 | | 10,900 |
| Grants | | 11,933,717 | | 11,664,084 |
| Capital Expenditures | | 17,406 | | 8,906 |
| **Total, Object-of-Expense Informational Listing** | $ | 25,568,406 | $ | 24,368,659 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Computer Equipment and Software | $ | 830,609 | $ | 84,400 |
| (2) Trial Court Interface Development | | 200,858 | | 200,858 |
| (3) Trial Court County Infrastructure Project | | 141,610 | | 141,610 |
| Total, Capital Budget | $ | 1,173,077 | $ | 426,868 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 1,173,077 | $ | 392,718 |
| GR Dedicated - Compensation to Victims of Crime Account No. 469 | | 0 | | 34,150 |
| Total, Method of Financing | $ | 1,173,077 | $ | 426,868 |

2. **Restriction, Assistance to the Administrative Judicial Regions.** Funds appropriated in A.1.4. Strategy, Assistance to Administrative Judicial Regions, may be used only for the payment of salaries of administrative assistants employed by the presiding judges of the Administrative Judicial Regions pursuant to Government Code § 74.050, as amended. The salaries paid the administrative assistants may be supplemented from sources other than appropriations provided by this Act.

3. **Student Loan Repayment Program.** Out of the funds appropriated above in A.1.1. Strategy, Court Administration, the sum of $213,763 in fiscal year 2004 and $213,763 in fiscal year 2005, shall be expended for the subsidization of the repayment of student loans of those with proven need who accept clerkships or temporary attorney positions in the courts. It is the intent of the Legislature that the Texas Judicial Council, in connection with an advisory group that includes law school deans, define specific criteria for loan repayment assistance, and for the administration of the program.

4. **Information Regarding Allocation of Full-Time-Equivalent Positions.** The following data regarding allocation of the "Number of Full-Time-Equivalent Positions (FTE)" is provided for informational purposes only, and should not be construed as a cap on the number of FTEs in any one strategy: A.1.1. Strategy, Court Administration (29.0 FTEs); A.1.2. Strategy, Information Technology (21.5 FTEs); A.1.4. Strategy, Assistance to Administrative Judicial Regions (9.0 FTEs); A.1.5. Strategy, Indigent Defense (6.0 FTEs); B.1.1. Strategy, Title IV-D Masters and Assistants Program (88.5 FTEs); and B.1.2. Strategy, Foster Care Courts Program (28.0 FTEs).

5. **Disaster Recovery, Data Operations, Seat Management, and Information Services at the Appellate Courts.** It is the intent of the Legislature that contract services for disaster recovery and data operations services, including seat management, at the appellate courts must be performed by the West Texas Disaster Recovery and Operations Center (WTDROC). Further, employees at appellate courts that perform on-site disaster recovery and data operations services, including seat management, must provide the same level of service available from WTDROC and may not be reimbursed by the Office of Court Administration from the A.1.2. Strategy, Information Technology, in an amount that would exceed the cost of a contract with WTDROC. It is the intent of the Legislature that the appellate courts may not employ contractors or employees that provide services that duplicate the information services provided by the Office of Court Administration.

6. **Information Services for the Trial Courts.** Out of funds appropriated above in Strategy A.1.2, Information Technology, no less than $1,600,000 shall be dedicated to providing information services for the Trial Courts.

7. **Information Technology Equipment and Services.** It is the intent of the Legislature that the Office of Court Administration provide staff and information technology equipment and services for the Judicial Committee on Information Technology and information technology equipment and services for the State Law Library, Office of the State Prosecuting Attorney, and Court Reporters Certification Board subject to funds available within amounts appropriated above for Information Technology (A.1.2.). The State Law Library will continue to submit a biennial operating plan for internal support of subscription services to online legal research tools and daily library functions.

8. **District Court Performance Measures.** It is the intent of the Legislature that the Office of Court Administration report data for the district courts on a countywide basis and that the data measure countywide clearance rates for criminal, civil, and juvenile cases and measure age of cases disposed and the backlog index for criminal and civil cases. Further, the Office of Court Administration should revise its reporting system for the trial courts to simplify reporting, improve data collection and compliance, and streamline its annual report of the Texas judicial system.

9. **Appellate Court Performance Measures.** It is the intent of the Legislature that the current performance measures for the appellate courts continue to be used for caseload management by each court in accordance with uniform data reporting standards approved by the courts of appeals. Further, the appellate courts should continuously find ways to operate efficiently without sacrificing the quality of justice while remaining true to the rule of law. Finally, the

Office of Court Administration should continue to study whether the statistical data currently reported is presented in a clear, understandable format and what, if any, additional data should be collected.

10. **Assistance to Presiding Judges of the Nine Administrative Judicial Regions.** The Office of Court Administration shall assist the presiding judges of the nine administrative judicial regions in seeking alternative funding, including federal funding, for payments to visiting judges serving in the nine administrative judicial regions.

11. **Interagency Contract for Assigned Judges for Foster Care Courts.** Out of funds appropriated above to Strategy B.1.2, Foster Care Courts Program, the Office of Court Administration may enter into a contract with the Office of the Comptroller for fiscal years 2004 and 2005, for the purpose of reimbursing the Comptroller for amounts expended for judges assigned under Chapter 74, Government Code to hear cases of the Foster Care Courts established pursuant to Subchapter C, Chapter 201, Family Code. It is the intent of the Legislature that any amounts reimbursed under this contract for judges assigned to the Foster Care Courts are in addition to amounts appropriated for the use of assigned judges in Strategies A.1.2, Visiting Former Judges - Regions or A.1.4, Visiting Retired Judges - Regions in the Judiciary Section, Comptroller's Department.

12. **Appellate Court Transfers.** It is the intent of the Legislature that upon the request of the Chief Justice of the Supreme Court of Texas, the Presiding Judge of the Court of Criminal Appeals, or the Chair of the Council of Chief Justices, the Office of Court Administration shall assist the appellate courts in transferring funds between courts through interagency contract provisions.

13. **Contingency Appropriation to Increase Fine Collections and Provide Computer Security.** In addition to the amounts appropriated above in Strategy A.1.1, Court Administration, the Office of Court Administration is appropriated the amounts of $223,000 in fiscal year 2004 and $223,000 in fiscal year 2005 from General Revenue contingent upon the Office of Court Administration implementing six model fines collections programs in fiscal year 2004 and six model fines collections programs in fiscal year 2005. Also contingent on the Office of Court Administration meeting the above collections target, the "Number of Full-Time-Equivalent Positions (FTE)" indicated above is increased by 3.0 FTEs each fiscal year of the biennium.

    The appropriation amounts in this provision and the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act" are also contingent on the Comptroller of Public Accounts issuing a finding of fact, based on sufficient information being provided by the Office of Court Administration to the Comptroller, that increased collections in excess of amounts in the Comptroller's Biennial Revenue Estimate are estimated to be available to fund the increased appropriations and related benefits for increases in FTEs pursuant to this section.

14. **Indigent Defense.** All court costs deposited into the Fair Defense Account (a General Revenue-Dedicated account) are appropriated in Strategy A.1.5, Indigent Defense. Any court costs deposited in excess of $11,956,913 in fiscal year 2004 and $11,956,912 in fiscal year 2005 are hereby appropriated to the Office of Court Administration, Texas Judicial Council for the same purpose. Included above in Strategy A.1.5, Indigent Defense, is $685,500 in fiscal year 2004 and $685,500 in fiscal year 2005 for the administration of the Task Force on Indigent Defense. The Task Force on Indigent Defense shall have authority to make grants to counties from the Fair Defense Account, with funds being disbursed by the Comptroller. In no event shall the appropriation made by this section be used to offset the Office of Court Administration's administrative support provided to the Task Force on Indigent Defense without the explicit approval of the Task Force on Indigent Defense. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this act.

In addition to the amounts appropriated above, any unexpended and unobligated balances remaining in the Fair Defense Account as of August 31, 2003, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2003 (estimated to be $269,632).

15. **Unexpended Balances: Information Technology.** Any unexpended balances appropriated above for Information Technology (A.1.2.) in fiscal year 2004 are hereby appropriated to the Office of Court Administration for fiscal year 2005 for the same purposes.

16. **Unexpended Balances: Equalization of the Dockets.** Any unexpended balances appropriated above for Equalization of the Courts of Appeals Dockets (A.1.3.) in fiscal year 2004 are hereby appropriated to the Office of Court Administration for fiscal year 2005 for the same purpose.

## OFFICE OF THE STATE PROSECUTING ATTORNEY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** REPRESENTATION BEFORE CCA<br>Representation of the State before the Court of Criminal Appeals. | | |
| **Outcome (Results/Impact):** | | |
| Petitions for Discretionary Review Granted by the Court of Criminal Appeals | 23 | 23 |
| **A.1.1. Strategy:** REPRESENTATION BEFORE CCA<br>Representation of the State before the Court of Criminal Appeals. | $ 307,607 | $ 307,608 & UB |
| **Grand Total,** OFFICE OF THE STATE PROSECUTING ATTORNEY | $ 307,607 | $ 307,608 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 5.0 | 5.0 |
| **Schedule of Exempt Positions:** | | |
| State Prosecuting Attorney | $101,700 | $101,700 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 290,106 | $ 290,106 |
| Other Personnel Costs | 3,220 | 3,680 |
| Operating Costs | 13,081 | 12,622 |
| Capital Expenditures | 1,200 | 1,200 |
| **Total, Object-of-Expense Informational Listing** | $ 307,607 | $ 307,608 |

1. **Contingency Appropriation.** All appropriations made under this provision are contingent on the Comptroller providing notice to the Legislative Budget Board regarding a finding of fact by the Comptroller (at the time of certification of this Act or after certification of this Act) that sufficient revenue is estimated to be available from the General Revenue Fund. The Comptroller shall transfer and release funds under this provision to the Office of the State Prosecuting Attorney, subject to the prior approval of the Legislative Budget Board, for the purpose of restoring agency salaries at the fiscal year 2002 levels for all employees in the agency, in the amount of $28,563 in fiscal year 2004 and $28,563 in fiscal year 2005.

## STATE LAW LIBRARY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** ADMINISTRATION AND OPERATIONS | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Positive Evaluations of Library Service by Library Users | 85% | 85% |
| **A.1.1. Strategy:** ADMINISTRATION AND OPERATIONS | $ 804,292 | $ 804,292 |
| **Grand Total,** STATE LAW LIBRARY | $ 804,292 | $ 804,292 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 11.0 | 11.0 |
| **Schedule of Exempt Positions:** | | |
| Director, Group 1 | $58,000 | $58,000 |
| **Supplemental Appropriations Made in Riders:** | $ 41,100 | $ 41,100 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 408,456 | $ 408,456 |
| Other Personnel Costs | 7,020 | 7,440 |
| Consumable Supplies | 5,000 | 5,000 |
| Utilities | 240 | 240 |
| Rent - Building | 240 | 240 |
| Rent - Machine and Other | 14,400 | 14,400 |
| Other Operating Expense | 276,896 | 276,476 |
| Capital Expenditures | 133,140 | 133,140 |
| **Total, Object-of-Expense Informational Listing** | $ 845,392 | $ 845,392 |

1. **Appropriation of Receipts: Fees and Service Charges.** All receipts collected by the State Law Library as fees and service charges, as authorized pursuant to Government Code § 91.011, are hereby appropriated to the State Law Library for the biennium beginning September 1, 2003.

2. **Computer-based Legal Research Services.** The State Law Library is hereby authorized to enter into interagency contracts with other state agencies and the courts for providing a computer based legal research service. The State Law Library shall charge an amount for this service equal to the cost to the library for providing this service.

3. **Fee Schedule, Duplication Services.** The State Law Library shall set a fee schedule for duplication services to the inmates of the Texas Department of Criminal Justice at the same amount per page as charged to the general public.

4. **Unexpended Balances.** Any unexpended and unobligated balances remaining in Strategy A.1.1, Administration and Operations, as of August 31, 2004, are hereby appropriated, in an amount not to exceed $50,000, to the State Law Library for the purpose of acquiring legal reference materials.

## COURT REPORTERS CERTIFICATION BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** EXAM AND CERTIFICATION | | |
| Examination and certification. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Complaints Resulting in Disciplinary Action | 18% | 18% |
| Percentage of Licensees with No Recent Violations | 99% | 99% |
| **A.1.1. Strategy:** EXAM AND CERTIFICATION | $ 152,435 | $ 152,322 |
| Examination and certification. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 75 | 75 |
| **Grand Total,** COURT REPORTERS CERTIFICATION BOARD | $ 152,435 | $ 152,322 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 55,293 | $ 55,166 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 2.8 | 2.8 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 1 | $52,000 | $52,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 107,212 | $ 107,212 |
| Other Personnel Costs | 4,180 | 4,400 |
| Professional Fees and Services | 9,200 | 9,200 |
| Consumable Supplies | 2,000 | 2,000 |
| Utilities | 2,200 | 2,200 |
| Travel | 11,765 | 11,765 |
| Rent - Machine and Other | 5,902 | 5,902 |
| Other Operating Expense | 9,976 | 9,643 |
| **Total, Object-of-Expense Informational Listing** | $ 152,435 | $ 152,322 |

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Court Reporters Certification Board are made contingent on the continuation of the Court Reporters Certification Board by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## STATE COMMISSION ON JUDICIAL CONDUCT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ADMINISTRATION AND ENFORCEMENT | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Cases Disposed | 100% | 100% |
| **A.1.1. Strategy:** ADMINISTRATION AND ENFORCEMENT | $ 1,011,575 | $ 1,011,574 |
| **Grand Total,** STATE COMMISSION ON JUDICIAL CONDUCT | $ 1,011,575 | $ 1,011,574 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 889,875 | $ 889,874 |
| Interagency Contracts | 121,700 | 121,700 |
| **Total, Method of Financing** | $ 1,011,575 | $ 1,011,574 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 17.0 | 17.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 4 | $100,000 | $100,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 842,495 | $ 842,495 |
| Other Personnel Costs | 12,080 | 12,080 |
| Professional Fees and Services | 28,700 | 28,700 |
| Consumable Supplies | 9,550 | 9,549 |
| Utilities | 11,000 | 11,000 |
| Travel | 78,800 | 78,800 |
| Rent - Machine and Other | 3,500 | 3,500 |
| Other Operating Expense | 25,450 | 25,450 |
| **Total, Object-of-Expense Informational Listing** | $ 1,011,575 | $ 1,011,574 |

1. **Unexpended Balances.** The State Commission on Judicial Conduct is hereby authorized to carry forward unexpended balances from fiscal year 2004 into fiscal year 2005 in an amount not to exceed $85,000.

2. **Formal Proceedings.** Out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, $75,000 in fiscal year 2004 and $75,000 in fiscal year 2005 are authorized for the expenses of formal proceedings initiated under the *Procedural Rules for the Removal or Retirement of Judges* promulgated under Texas Constitution, Article V, Section 1-a, notwithstanding other funds expended by the Commission for that purpose. Unexpended balances of funds authorized under this provision in fiscal year 2004 and fiscal year 2005 are not appropriated to the Commission.

3. **Appropriation Source: Judicial Ethics Education, Programs, and Assistance.**

   a. Out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, $114,000 in fiscal year 2004 and $114,000 in fiscal year 2005 from interagency contracts with the Court of Criminal Appeals shall be for the purpose of providing judges with judicial ethics education and assistance.

b. Additionally, out of the amounts appropriated above in Strategy A.1.1, Administration and Enforcement, $7,700 in fiscal year 2004 and $7,700 in fiscal year 2005 from interagency contracts with the Court of Criminal Appeals shall be allocated to judicial misconduct prevention programs.

4. **Performance Measure Target.** In keeping with a recommendation of the State Auditor's Office (*A Financial Review of the State Commission on Judicial Conduct*, SAO Report No. 03-002), it is the intent of the Legislature that the Commission improve the agency's ability to attain or exceed the target for the agency's key performance measure, *Percentage of Cases Disposed,* by addressing the issue of employee turnover.

## JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** JUDICIAL SALARIES AND PAYMENTS<br>To administer salaries and payments to district and visiting judges. | | |
| **A.1.1. Strategy:** DISTRICT JUDGES<br>Salaries for district judges and criminal district judges per Section 1, Article V, Texas Constitution. Estimated. | $ 42,443,234 | $ 42,443,235 |
| **A.1.2. Strategy:** VISITING FORMER JUDGES - REGIONS<br>Payment of former judges called to duty as visiting judges per Government Code § 74.061(d)(i); salaries of retired district judges assigned to special juvenile courts or domestic relations courts per Government Code § 24.006(f); and special judges salaries per Government Code § 32.302. | $ 450,260 | $ 450,261 |
| **A.1.3. Strategy:** VISITING FORMER JUDGES - APPELLATE<br>Payment of former appellate judges called to duty as visiting judges per Government Code § 74.061(d). | $ 127,138 | $ 127,137 |
| **A.1.4. Strategy:** VISITING RETIRED JUDGES - REGIONS<br>Payment of retired judges called to duty as visiting judges per Government Code § 74.061(c)(h). | $ 2,759,458 | $ 2,759,458 |
| **A.1.5. Strategy:** VISITING RETIRED JUDGES-APPELLATE<br>Payment of retired appellate judges called to duty as visiting judges per Government Code § 74.061(c). | $ 488,282 | $ 488,281 |
| **A.1.6. Strategy:** LOCAL ADMIN. JUDGE SUPPLEMENT<br>Provide $5,000 salary supplement to local administrative judges who serve in counties with more than six district courts per Government Code § 659.0125. Estimated. | $ 45,000 | $ 45,000 |
| **A.1.7. Strategy:** DISTRICT JUDGES: TRAVEL<br>Expenses of district judges while engaged in the actual performance of their duties whose judicial district is composed of more than one county per Government Code § 24.019, not to exceed $1,500 per county. | $ 478,500 | $ 478,500 |
| **A.1.8. Strategy:** JUDICIAL SALARY PER DIEM | $ 302,000 | $ 302,000 |

Per diem for active, retired, and former district judges and statutory county court of law judges serving on assignment and the per diem and expenses for active and retired justices and judges of the Supreme Court, Court of Criminal Appeals, or of a Court of Appeals, when holding court out of their district or county when assigned per Government Code, Chapter 74. Estimated.

| | | | | |
|---|---|---|---|---|
| **Total, Goal A:** JUDICIAL SALARIES AND PAYMENTS | $ | 47,093,872 | $ | 47,093,872 |

**B. Goal:** PROSECUTOR SALARIES AND PAYMENTS
To administer payments to District Attorneys, Criminal District Attorneys, and County Attorneys with Felony Prosecution Authority; salary supplements to two Travis County Assistant District Attorneys; and office apportionment expenses of state prosecutors.

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** DISTRICT ATTORNEYS: SALARIES<br>Salaries of district attorneys compensated per Government Code, Chapter 41.013. | $ | 1,057,680 | $ | 1,057,680 |
| **B.1.2. Strategy:** PROFESSIONAL PROSECUTORS: SALARIES<br>Salaries of district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney that are prohibited from the private practice of law and compensated per Government Code § 46.002 and § 46.003. | $ | 14,034,600 | $ | 14,034,600 |
| **B.1.3. Strategy:** FELONY PROSECUTORS: SALARIES<br>Salaries of one criminal district attorney per Government Code § 44.220 (Jackson); one county attorney performing the duties of a district attorney per Government Code § 45.175 (Fayette); and one county attorney performing the duties of a district attorney per Government Code § 45.280 (Oldham). | $ | 215,580 | $ | 215,580 |
| **B.1.4. Strategy:** PROSECUTORS: SUBCHAPTER C<br>Apportionment payable to County Officers Salary Fund in counties where there is a district attorney per Government Code § 43.180 (Harris), not receiving a state salary, per Government Code § 41.201. Estimated. | $ | 112,728 | $ | 112,728 |
| **B.1.5. Strategy:** FELONY PROSECUTORS: TRAVEL<br>Expenses of felony prosecutors while engaged in the actual performance of their duties whose prosecutorial district is composed of more than one county per Government Code § 43.004, not to exceed $1,750 per county. | $ | 280,000 | $ | 280,000 |
| **B.1.6. Strategy:** PROSECUTORS: EXPENSES<br>For the payment of salaries of assistant district attorneys, investigators and/or secretarial help and expenses, including travel for these personnel as determined by the prosecutors designated in Strategies B.1.1, B.1.2, B.1.3, and B.1.4. Reimbursement shall be limited to expenses for supplies or items which would normally be consumed or utilized within the fiscal year for which the funds in this item are designated. Payments shall not exceed $34,450 per district per year in multicounty districts and $17,050 per district per year in single-county districts and $34,450 for both | $ | 5,235,350 | $ | 5,235,350 |

| | | | | |
|---|---|---|---|---|
| multicounty and single-county districts for those district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney prohibited from the private practice of law per Government Code, Chapter 46; and shall be made available in three equal installments issued on the first day of September, January and May of each fiscal year. These payments shall be made directly to the district attorney, criminal district attorney, or county attorney for the purposes of disbursement as required by the attorney. The attorney receiving these payments shall be responsible to the Comptroller for accounting for all expenditures of these funds. | | | | |
| **B.1.7. Strategy:** TRAVIS CO. ASST. DA SALARY SUPPS | $ | 5,616 | $ | 5,616 |
| Salary supplementation for assistant district attorneys of the Fifty-third Judicial District (Travis County) per Government Code § 43.132. | | | | |
| **Total, Goal B:** PROSECUTOR SALARIES AND PAYMENTS | $ | 20,941,554 | $ | 20,941,554 |
| **C. Goal:** CO.-LEVEL JUDGES SALARY SUPPLEMENTS | | | | |
| To administer payments of salary supplements to constitutional, statutory, and probate county judges. | | | | |
| **C.1.1. Strategy:** CONST. CO. JUDGE GR SUPPLEMENT | $ | 1,080,000 | $ | 1,080,000 |
| Provide $5,000 salary supplement to constitutional county judges whose functions are at least 40 percent judicial per Government Code § 26.006 and § 26.007. Estimated. | | | | |
| **C.1.2. Strategy:** CONST. CO. JUDGE 573 SUPPLEMENT | $ | 1,216,665 | $ | 1,216,665 |
| Provide salary supplement from appropriated receipts (Fund 573) to constitutional county judges per Government Code § 26.006. Appropriation of all receipts remitted to the state per Government Code § 51.703(d). Estimated. | | | | |
| **C.1.3. Strategy:** STATUTORY CO. JUDGE GR SUPPLEMENT | $ | 740,000 | $ | 740,000 |
| Provide $5,000 salary supplement to statutory county judges per Government Code § 25.0015. Estimated. | | | | |
| **C.1.4. Strategy:** STATUTORY CO. JUDGE 573 SUPPLEMENT | $ | 4,974,851 | $ | 4,974,851 |
| Provide salary supplement from appropriated receipts (Fund 573) to statutory county judges per Government Code § 25.0015. Appropriation of all receipts remitted to the state per Government Code § 51.702(d). Estimated. | | | | |

| | | |
|---|---|---|
| **C.1.5. Strategy:** STATUTORY PROBATE JUDGE SUPPLEMENT<br>Provide salary supplement from appropriated receipts (Fund 573) to statutory probate county judges per Government Code § 25.00211. Appropriation of all receipts remitted to the state per Government Code § 51.704(c). Estimated. | $ 923,311 | $ 923,311 |
| **Total, Goal C:** CO.-LEVEL JUDGES SALARY SUPPLEMENTS | $ 8,934,827 | $ 8,934,827 |
| **D. Goal:** SPECIAL PROGRAMS<br>To administer payments authorized by statute for programs within the Judiciary Section, Comptroller's Department appropriation. | | |
| **D.1.1. Strategy:** COUNTY ATTORNEY SUPPLEMENT<br>Provide salary supplement to county attorneys and county prosecutors per Government Code § 46.0031. Estimated. | $ 4,279,875 | $ 4,279,875 |
| **D.1.2. Strategy:** WITNESS EXPENSES<br>Expenses of witnesses called in criminal proceedings who reside outside of the county where the trial is held per Code of Criminal Procedure, Articles 24.28 and 35.27. | $ 600,000 | $ 600,000 |
| **D.1.3. Strategy:** PUBLIC INTEGRITY UNIT<br>Apportionment to fund the operation of the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District (Travis County) for the payment of salaries and other necessary expenses for the operation of the Public Integrity Unit to be used for the investigation and prosecution of motor fuel tax fraud cases; insurance fraud cases; offenses involving an elected or appointed official of state government or an officer or employee of an agency of the state; and offenses relating to state government with respect to which prosecution, jurisdiction and venue, by law, lie in Travis County. | $ 3,078,733 | $ 3,078,733<br>& UB |
| **D.1.4. Strategy:** SPECIAL PROSECUTION UNIT<br>Funds for the operation of the Special Prosecution Unit in the District Attorney's Office of the 12th and 278th Judicial Districts (Walker County) per Code of Criminal Procedure, Article 104.003 and Section 21, Article V, Texas Constitution. | $ 2,091,640 | $ 2,091,640 |
| **D.1.5. Strategy:** DEATH PENALTY REPRESENTATION<br>Compensation for counsel representing death row inmates per Code of Criminal Procedure, Article 11.071. | $ 500,000 | $ 500,000<br>& UB |
| **D.1.6. Strategy:** NATIONAL CENTER FOR STATE COURTS<br>Membership assessment on behalf of the Texas judiciary for the National Center for State Courts. Estimated. | $ 266,910 | $ 266,910 |
| **Total, Goal D:** SPECIAL PROGRAMS | $ 10,817,158 | $ 10,817,158 |
| **Grand Total,** JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT | $ 87,787,411 | $ 87,787,411 |

## JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT
(Continued)

| | | |
|---|---|---|
| **Method of Financing:** | | |
| General Revenue Fund | | |
| General Revenue Fund, estimated | $ 65,155,986 | $ 65,155,986 |
| General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees | 1,092,388 | 1,092,388 |
| Subtotal, General Revenue Fund | $ 66,248,374 | $ 66,248,374 |
| Other Funds | | |
| State Highway Fund No. 006 | 896,759 | 896,759 |
| Criminal Justice Grants | 1,527,451 | 1,527,451 |
| Judicial Fund No. 573 | 19,114,827 | 19,114,827 |
| Subtotal, Other Funds | $ 21,539,037 | $ 21,539,037 |
| **Total, Method of Financing** | $ 87,787,411 | $ 87,787,411 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 574.0 | 574.0 |
| **Schedule of Exempt Positions:** | | |
| District Judges and Criminal District Judges (Strategy A.1.1.) | (418) $101,700 | (418) $101,700 |
| District Attorneys, Criminal District Attorneys and County Attorneys (Strategies B.1.1. and B.1.3.) | (15) 81,360 | (15) 81,360 |
| District Attorneys, Criminal District Attorneys and County Attorneys (Strategy B.1.3.) | 52,860 | 52,860 |
| District Attorneys, Criminal District Attorneys and County Attorneys (Strategy B.1.2.) | (138) 101,700 | (138) 101,700 |
| Assistant District Attorneys, Fifty-third Judicial District (Strategy B.1.7.) | (2) 2,808 | (2) 2,808 |
| **Supplemental Appropriations Made in Riders:** | $ 1,315,173 | $ 1,873,173 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 64,870,119 | $ 64,870,119 |
| Other Personnel Costs | 2,282,000 | 2,840,000 |
| Professional Fees and Services | 48,000 | 48,000 |
| Fuels and Lubricants | 2,600 | 2,600 |
| Consumable Supplies | 35,267 | 35,267 |
| Utilities | 43,950 | 43,950 |
| Travel | 992,538 | 992,538 |
| Rent - Building | 318,753 | 318,753 |
| Rent - Machine and Other | 29,026 | 29,026 |
| Other Operating Expense | 1,261,631 | 1,276,631 |
| Grants | 19,198,700 | 19,198,700 |
| Capital Expenditures | 20,000 | 5,000 |
| **Total, Object-of-Expense Informational Listing** | $ 89,102,584 | $ 89,660,584 |

1. **Appropriation Source.** Pursuant to Government Code § 21.006, all revenues to, and fund balances in, the Judicial Fund No. 573, which are not deposited into the Basic Civil Legal Services account, are hereby appropriated to the Judiciary Section, Comptroller's Department. In the event that revenues into Fund No. 573 during a fiscal year exceed the amount identified in the Method of Financing as being appropriated out of Fund No. 573 in this Act for that fiscal year the difference shall be appropriated to the Judiciary Section, Comptroller's Department and the General Revenue Fund appropriation for that fiscal year shall be reduced by a like amount (estimated to be $3,188,346).

2. **Salary Limitation, District Judges.** Funds appropriated above in Strategy A.1.1. shall be expended for the payment of the state salary for each district judge. However, in no event shall the aggregate, excluding any county supplement, of the state paid salary and any service retirement annuity paid pursuant to Government Code, Chapter 834 exceed the base salary for any district court judge during any twelve month period. If a district judge draws a salary as a district judge and a retirement annuity pursuant to Government Code, Chapter 834, and the combined amounts exceed the annual base salary for a district judge, the amount expended out of Strategy A.1.1. for the state salary of that district judge shall be reduced by an amount which will bring the total amount received by the judge to the base salary paid a district judge for a 12 month period. This provision does not apply to either retired or former judges or justices called to duty as visiting judges pursuant to Government Code, Chapters 74 and 75 and § 24.604 of the Government Code.

3. **Trial Court Measures.** Each district court judge shall provide an annual report no later than September 20, to the Office of Court Administration, indicating the Clearance Rate during the previous year. A Clearance Rate is calculated by dividing the total number of cases disposed by the total number of cases added to the docket.

4. **Public Integrity Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Out of the funds appropriated above in Strategy D.1.3. the following amounts are appropriated specifically to the Public Integrity Unit for the following purposes:

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Motor Fuel Tax Fraud Investigations<br>Method of Financing, State Highway Fund No. 006 | $ 896,759 | $ 896,759 & UB |
| Insurance Fraud Investigations<br>Method of Financing, General Revenue Fund – Insurance Companies Maintenance Tax and Insurance Department Fees | 1,092,388 | 1,092,388 & UB |
| General State Government Investigations<br>Method of Financing, General Revenue Fund | 1,089,586 | 1,089,586 & UB |
| **Total, Method of Financing** | $ 3,078,733 | $ 3,078,733 & UB |

In no event shall the funds granted to the Public Integrity Unit exceed the amounts specified. In no event shall any funds appropriated above out of Judicial Fund No. 573 be allocated to the Public Integrity Unit. Any unexpended balances from appropriations made to the Public Integrity Unit for fiscal year 2004 are appropriated to the Public Integrity Unit for fiscal year 2005 for the same purposes.

The Public Integrity Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on fraud investigations of the Public Integrity Unit.

5. **Special Prosecution Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Out of the funds appropriated above in Strategy D.1.4. and under the authority of Article 104.003, Code of Criminal Procedure, and Article V, § 21 of the Texas Constitution,

Walker County is allocated an amount not to exceed $1,527,451 in criminal justice grants and $564,189 from general revenue in 2004; and $1,527,451 in criminal justice grants and $564,189 from general revenue in 2005, through the Judiciary Section, Comptroller's Department, for the payment of salaries and other necessary expenses for the operation of the Special Prosecution Unit. The funds are to be used for the investigation and prosecution of felony offenses committed by prisoners of the Texas Department of Criminal Justice; for the investigation and prosecution of other felonies and misdemeanors committed by agency employees and others when criminal conduct affects the operation of the agency in the various counties of the State where Texas Department of Criminal Justice facilities are located; and for the civil commitment of sexually violent predators program.

The funds appropriated above in Strategy D.1.4. shall be used to employ the services of legal and support staff plus the payment of their necessary capital and operating expenses in carrying out the purposes of the Special Prosecution Unit as established by its Board of Directors which is made up of those elected prosecutors who have Texas Department of Criminal Justice facilities within their respective counties.

Walker County is the designated agency to administer the funds provided for the support of the Special Prosecution Unit. Walker County shall submit a voucher containing an itemized statement of expenses to include salaries, fringe benefits and authorized expenses incurred to the Judiciary Section, Comptroller's Department each month of the fiscal year. Such vouchers shall be reviewed by the Walker County Auditor's Office to ensure compliance with applicable state and county regulations concerning the expenditures of public funds. Upon receipt of said vouchers, the Judiciary Section, Comptroller's Department shall issue warrants each month to reimburse Walker County. The total reimbursement each year shall not exceed the amount appropriated.

Any unexpended balances from appropriations made to the Special Prosecution Unit, Civil Division for fiscal year 2004 are appropriated to the Special Prosecution Unit, Civil Division for fiscal year 2005 for the same purposes.

The Special Prosecution Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on activities of the Special Prosecution Unit.

6. **Witness Expenses.** The appropriation made above to the Judiciary Section, Comptroller's Department for the payment of witness expenses under the Code of Criminal Procedure is based on legislative intent that such expenses are not paid at rates that exceed the maximum rates provided by law for state employees. Additionally, the appropriation is based on legislative intent that payments to witnesses in criminal impact court cases, multidistrict civil cases, capital cases, and other specialty cases as determined by the presiding judges of the nine administrative judicial regions are given priority over expenses in other court cases.

7. **Visiting Judges.** The appropriations made above to the Judiciary Section, Comptroller's Department for the use of visiting judges are determined on the assumption that each appellate judge or justice and each district judge will receive an average of three weeks annual leave and three days sick leave. Out of the amounts appropriated above for visiting judges in the nine administrative judicial regions, no less than $ 39,000 for the biennium has been provided for the purpose of visiting judge payments in cases for civil commitment of sexually violent predators. Additionally, out of the amounts appropriated above for visiting judges in the nine administrative judicial regions, no less than $961,000 for the biennium has been provided for the purpose of visiting judge payments in multidistrict civil cases, capital cases, specialty criminal, civil, and family law cases, and other specialty cases as determined by the presiding judges of the nine administrative judicial regions.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS<br>Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 2,670,431 | $ 2,472,374 |
| **A.1.2. Strategy:** GROUP INSURANCE<br>Provide a basic health care and life insurance program for general state employees. Estimated. | $ 8,643,701 | $ 8,779,564 |
| **A.1.3. Strategy:** JUDICIAL RETIREMENT SYSTEM - PLAN 2<br>Maintain an actuarially sound retirement program for state judicial officers. Estimated. | $ 8,472,474 | $ 8,797,681 |
| **A.1.4. Strategy:** JUDICIAL RETIREMENT SYSTEM - PLAN 1<br>Provide for the payment of JRS-1 benefits and refunds as required by law. Estimated. | $ 22,638,168 | $ 22,998,459 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 42,424,774 | $ 43,048,078 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 42,424,774 | $ 43,048,078 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 40,545,903 | $ 41,170,775 |
| General Revenue Dedicated Accounts, estimated | 27,976 | 27,008 |
| Federal Funds, estimated | 829 | 800 |
| Other Special State Funds (ERS and CPA only) | 1,850,066 | 1,849,495 |
| **Total, Method of Financing** | $ 42,424,774 | $ 43,048,078 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 7,149,385 | $ 7,206,938 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 764,636 | $ 725,640 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 7,914,021 | $ 7,932,578 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 7,914,021 | $ 7,932,578 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund, estimated | $ | 7,326,852 | $ | 7,340,860 |
| General Revenue Dedicated Accounts, estimated | | 17,266 | | 17,383 |
| Federal Funds, estimated | | 497 | | 502 |
| Other Special State Funds, estimated | | 569,406 | | 573,833 |
| **Total, Method of Financing** | $ | 7,914,021 | $ | 7,932,578 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | | | |
| **A.1.1. Strategy:** LEASE PAYMENTS | $ | 2,449,031 | $ | 2,450,906 & UB |
| Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | | | | |
| **Grand Total,** LEASE PAYMENTS | $ | 2,449,031 | $ | 2,450,906 |

## SPECIAL PROVISIONS - JUDICIARY

Sec. 2. **Judicial Salary Enforcement.** Each District Court Judge and Justice of the Courts of Appeals shall file a sworn statement with the Comptroller of Public Accounts setting forth the yearly amounts to be received from state and county as salary payments during the ensuing fiscal year. Amended statements shall be filed setting forth any change in the salary rate which occurs during a fiscal year.

For the purpose of salary payments by the state, the Comptroller of Public Accounts shall determine from the filed statements that the required salary differential set out in Government Code § 659.012 is maintained. In the event a salary is in excess of the differential provided by law, the Comptroller is directed to reduce the state's portion of that salary by the amount of excess.

The appropriations for salaries of District Court Judges and Justices of Courts of Appeals are made contingent upon strict compliance with the provisions of this section and the Comptroller shall have no authority to issue a warrant for salaries which violate these provisions.

Sec. 3. **Public Integrity Unit.** In Strategy D.1.3, Public Integrity Unit, Judiciary Section, Comptroller's Department, warrants shall be drawn as necessary to reimburse the District Attorney of the 53rd Judicial District for salary and expenses previously incurred. The District Attorney shall submit a voucher containing an itemized statement of expenses to substantiate each claim. This appropriation shall be allocated in three equal installments over the fiscal year. Any unencumbered, unexpended balance existing in a previous allocation period may be used in a subsequent period provided that period occurs within the same biennium.

Sec. 4. **Restriction, New District Courts.** No new district court may be funded until it has been approved by the commissioner's court of the county or a majority of the counties in that district.

Sec. 5. **Transfer of Cases.** The Chief Justices of the 14 courts of appeals are encouraged to cooperate with the Chief Justice of the Supreme Court to transfer cases between appellate courts which are in neighboring jurisdictions in order to equalize the disparity between the workloads of the various courts of appeals.

Sec. 6. **Voice Recording.** It is the intent of the Legislature that the Supreme Court and Court of Criminal Appeals will promulgate rules authorizing the use of voice or video recording technology, including CD ROM, to make a record of court proceedings. The Legislature does not intend that the recording be a substitute for the written transcript.

Sec. 7. **Systems Compatibility.** No funds shall be utilized to purchase information technology unless it interfaces with other courts and with the Office of Court Administration and complies with the plans filed with the Legislative Budget Board.

Sec. 8. **Judicial Internship Program.** It is the intent of the Legislature that the Judicial Branch cooperate with law schools to establish a judicial internship program for Texas appellate and trial courts. The Judicial Branch is encouraged to work with the Texas Judicial Council in the development of the judicial internship program.

Sec. 9. **Appellate Court Exemptions.** The following provisions of Article IX of this Act do not apply to the appellate courts:

a. Article IX, § 5.09, Limitation on Travel Expenditures
b. Article IX, § 6.14, Limitation on State Employment Levels
c. Article IX, § 6.17, Limit on Expenditures–Capital Budget
d. Article IX, § 6.28, Performance Rewards and Penalties

Sec. 10. **TexasOnline Authority Appropriation.** Each Article IV licensing agency participating in the TexasOnline Authority is authorized in accordance with § 2054.252 of the Government Code to increase the occupational license renewal fees imposed on the licensing entity's licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority.

a. Each licensing agency participating in the TexasOnline Authority is hereby appropriated any additional fee revenue generated in excess of the amounts listed below for the purpose of paying the TexasOnline Authority subscription fee.

| | FY 2004 | FY 2005 |
|---|---|---|
| Court Reporters Certification Board | $ 11,040 | $ 14,480 |
| Total | $ 11,040 | $ 14,480 |

b. In the event that actual and/or projected revenue collections from fee increases to cover the cost of TexasOnline subscription fees are insufficient to offset the costs identified above, the Comptroller is hereby directed to reduce the appropriation authority provided by this Act to agencies participating in TexasOnline to be within the amount of fee revenue expected to be available.

Sec. 11. **Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances from appropriations made to the appellate courts for fiscal year 2004 are hereby appropriated to the same court for fiscal year 2005 for the same purposes.

Sec. 12. **Intermediate Appellate Court Local Funding Information.** The Office of Court Administration shall assist the appellate courts in the submission of a report for local funding information each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor.

# RECAPITULATION - ARTICLE IV
# THE JUDICIARY
# (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Supreme Court of Texas | $ 3,999,172 | $ 3,999,172 |
| Court of Criminal Appeals | 4,098,517 | 4,098,517 |
| First Court of Appeals District, Houston | 2,667,970 | 2,667,971 |
| Second Court of Appeals District, Fort Worth | 2,172,760 | 2,172,760 |
| Third Court of Appeals District, Austin | 1,943,426 | 1,943,426 |
| Fourth Court of Appeals District, San Antonio | 2,115,888 | 2,115,888 |
| Fifth Court of Appeals District, Dallas | 3,646,638 | 3,646,638 |
| Sixth Court of Appeals District, Texarkana | 1,044,748 | 1,044,748 |
| Seventh Court of Appeals District, Amarillo | 1,404,068 | 1,404,068 |
| Eighth Court of Appeals District, El Paso | 1,353,980 | 1,353,980 |
| Ninth Court of Appeals District, Beaumont | 1,097,743 | 1,097,743 |
| Tenth Court of Appeals District, Waco | 1,090,698 | 1,090,698 |
| Eleventh Court of Appeals District, Eastland | 1,090,972 | 1,090,972 |
| Twelfth Court of Appeals District, Tyler | 1,096,889 | 1,096,889 |
| Thirteenth Court of Appeals District, Corpus Christi | 1,934,646 | 1,934,646 |
| Fourteenth Court of Appeals District, Houston | 2,757,405 | 2,757,405 |
| Office of Court Administration, Texas Judicial Council | 6,013,472 | 4,989,552 |
| Contingency Appropriations | 223,000 | 223,000 |
| Total | 6,236,472 | 5,212,552 |
| Office of the State Prosecuting Attorney | 307,607 | 307,608 |
| State Law Library | 804,292 | 804,292 |
| Court Reporters Certification Board | 152,435 | 152,322 |
| State Commission on Judicial Conduct | 889,875 | 889,874 |
| Judiciary Section, Comptroller's Department | 66,248,374 | 66,248,374 |
| Subtotal, Judiciary | $ 108,154,575 | $ 107,130,543 |
| Retirement and Group Insurance | 40,545,903 | 41,170,775 |
| Social Security and Benefit Replacement Pay | 7,326,852 | 7,340,860 |
| Subtotal, Employee Benefits | $ 47,872,755 | $ 48,511,635 |
| Lease Payments | 2,449,031 | 2,450,906 |
| TOTAL, ARTICLE IV - THE JUDICIARY | $ 158,476,361 | $ 158,093,084 |

## RECAPITULATION - ARTICLE IV
## THE JUDICIARY
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Office of Court Administration, Texas Judicial Council | $ 13,063,816 | $ 13,063,815 |
| Rider Appropriations | 269,632 | 0 |
| Total | 13,333,448 | 13,063,815 |
| Subtotal, Judiciary | $ 13,333,448 | $ 13,063,815 |
| Retirement and Group Insurance | 27,976 | 27,008 |
| Social Security and Benefit Replacement Pay | 17,266 | 17,383 |
| Subtotal, Employee Benefits | $ 45,242 | $ 44,391 |
| TOTAL, ARTICLE IV - THE JUDICIARY | $ 13,378,690 | $ 13,108,206 |

## RECAPITULATION - ARTICLE IV
## THE JUDICIARY
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Retirement and Group Insurance | $ 829 | $ 800 |
| Social Security and Benefit Replacement Pay | 497 | 502 |
| Subtotal, Employee Benefits | $ 1,326 | $ 1,302 |
| TOTAL, ARTICLE IV - THE JUDICIARY | $ 1,326 | $ 1,302 |

## RECAPITULATION - ARTICLE IV
## THE JUDICIARY
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Supreme Court of Texas | $ 3,250,000 | $ 3,250,000 |
| Rider Appropriations | 3,700,000 | 0 |
| Total | 6,950,000 | 3,250,000 |
| Court of Criminal Appeals | 8,733,755 | 8,733,755 |
| Rider Appropriations | 225,000 | 0 |
| Total | 8,958,755 | 8,733,755 |
| Office of Court Administration, Texas Judicial Council | 5,998,486 | 6,092,292 |
| State Law Library, Rider Appropriations | 41,100 | 41,100 |
| State Commission on Judicial Conduct | 121,700 | 121,700 |
| Judiciary Section, Comptroller's Department | 21,539,037 | 21,539,037 |
| Rider Appropriations | 1,315,173 | 1,873,173 |
| Total | 22,854,210 | 23,412,210 |
| Subtotal, Judiciary | $ 44,924,251 | $ 41,651,057 |
| Retirement and Group Insurance | 1,850,066 | 1,849,495 |
| Social Security and Benefit Replacement Pay | 569,406 | 573,833 |
| Subtotal, Employee Benefits | $ 2,419,472 | $ 2,423,328 |
| Less Interagency Contracts | $ 5,947,076 | $ 6,040,882 |
| TOTAL, ARTICLE IV - THE JUDICIARY | $ 41,396,647 | $ 38,033,503 |

# RECAPITULATION - ARTICLE IV
# THE JUDICIARY
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Supreme Court of Texas | $ 7,249,172 | $ 7,249,172 |
| Rider Appropriations | 3,700,000 | 0 |
| Total | 10,949,172 | 7,249,172 |
| Court of Criminal Appeals | 12,832,272 | 12,832,272 |
| Rider Appropriations | 225,000 | 0 |
| Total | 13,057,272 | 12,832,272 |
| First Court of Appeals District, Houston | 2,667,970 | 2,667,971 |
| Second Court of Appeals District, Fort Worth | 2,172,760 | 2,172,760 |
| Third Court of Appeals District, Austin | 1,943,426 | 1,943,426 |
| Fourth Court of Appeals District, San Antonio | 2,115,888 | 2,115,888 |
| Fifth Court of Appeals District, Dallas | 3,646,638 | 3,646,638 |
| Sixth Court of Appeals District, Texarkana | 1,044,748 | 1,044,748 |
| Seventh Court of Appeals District, Amarillo | 1,404,068 | 1,404,068 |
| Eighth Court of Appeals District, El Paso | 1,353,980 | 1,353,980 |
| Ninth Court of Appeals District, Beaumont | 1,097,743 | 1,097,743 |
| Tenth Court of Appeals District, Waco | 1,090,698 | 1,090,698 |
| Eleventh Court of Appeals District, Eastland | 1,090,972 | 1,090,972 |
| Twelfth Court of Appeals District, Tyler | 1,096,889 | 1,096,889 |
| Thirteenth Court of Appeals District, Corpus Christi | 1,934,646 | 1,934,646 |
| Fourteenth Court of Appeals District, Houston | 2,757,405 | 2,757,405 |
| Office of Court Administration, Texas Judicial Council | 25,075,774 | 24,145,659 |
| Rider Appropriations | 269,632 | 0 |
| Contingency Appropriations | 223,000 | 223,000 |
| Total | 25,568,406 | 24,368,659 |
| Office of the State Prosecuting Attorney | 307,607 | 307,608 |
| State Law Library | 804,292 | 804,292 |
| Rider Appropriations | 41,100 | 41,100 |
| Total | 845,392 | 845,392 |
| Court Reporters Certification Board | 152,435 | 152,322 |
| State Commission on Judicial Conduct | 1,011,575 | 1,011,574 |
| Judiciary Section, Comptroller's Department | 87,787,411 | 87,787,411 |
| Rider Appropriations | 1,315,173 | 1,873,173 |
| Total | 89,102,584 | 89,660,584 |
| Subtotal, Judiciary | $ 166,412,274 | $ 161,845,415 |

## RECAPITULATION - ARTICLE IV
## THE JUDICIARY
## (All Funds)
(Continued)

| | | |
|---|---|---|
| Retirement and Group Insurance | 42,424,774 | 43,048,078 |
| Social Security and Benefit Replacement Pay | 7,914,021 | 7,932,578 |
| Subtotal, Employee Benefits | $ 50,338,795 | $ 50,980,656 |
| Lease Payments | 2,449,031 | 2,450,906 |
| Less Interagency Contracts | $ 5,947,076 | $ 6,040,882 |
| TOTAL, ARTICLE IV - THE JUDICIARY | $ 213,253,024 | $ 209,236,095 |
| Number of Full-Time-Equivalent Positions (FTE) | 1,330.3 | 1,330.3 |

# ARTICLE V

## PUBLIC SAFETY AND CRIMINAL JUSTICE

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

## ADJUTANT GENERAL'S DEPARTMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE CAPABLE RESPONSE<br>To provide a professional, fully-trained force capable of responding to federal and state requirements. | | |
| **A.1.1. Strategy:** MANAGEMENT, OPERATIONS AND TRAINING | $ 1,553,750 | $ 1,553,750 |
| Execute an effective personnel management, operations and training program to ensure accomplishment of federal and state disaster relief missions. | | |
| **Explanatory:** | | |
| Percent of Eligible TXNG Personnel Retained | 68 | 68 |
| Authorized Military Strength | 21,521 | 21,521 |
| **A.2.1. Strategy:** FACILITIES/EQUIPMENT MODERNIZATION | $ 11,469,721 | $ 10,469,721 |
| Pursue effective facilities and equipment modernization and maintenance programs while sustaining a security program for selected facilities. | | |
| **Efficiencies:** | | |
| Average Maintenance Cost per Square Foot of All Buildings (Less Texas Military Facilities Commission State-owned Armories) | 2.69 | 2.44 |
| **A.2.2. Strategy:** DEBT SERVICE | $ 3,193,031 | $ 3,704,358 |
| Support the Texas Military Facilities Commission in the construction and maintenance of new armories by paying rent (includes debt service on outstanding revenue bonds, insurance, and administrative fees). | | |
| **A.2.3. Strategy:** UTILITIES | $ 4,741,000 | $ 4,756,000 |
| Pay for the cost of the department's utilities and sustain a comprehensive and effective utilities conservation program throughout the department, including Texas Military Facilities Commission state-owned armories. | | |
| **Efficiencies:** | | |
| Utilities Cost Per Square Foot, All Buildings | .79 | .79 |
| **Total, Goal A:** PROVIDE CAPABLE RESPONSE | $ 20,957,502 | $ 20,483,829 |
| **B. Goal:** COMMUNITY SUPPORT<br>Expand and maintain individual and department involvement that supports and adds value to our communities and tells the Guard story. | | |
| **B.1.1. Strategy:** COMMUNITY SUPPORT | $ 3,177,400 | $ 3,177,400 |
| Expand the department's community support program to include all department personnel. | | |
| **Output (Volume):** | | |

| | | | | |
|---|---|---|---|---|
| Number of Missions Performed Supporting Federal, State, and Local Drug Law Enforcement Agencies | | 500 | | 500 |
| **C. Goal:** PURSUE CLEANER ENVIRONMENT | | | | |
| Aggressively pursue a cleaner environment through the identification and correction of deficiencies and implementation of environmental protection measures. | | | | |
| **C.1.1. Strategy:** ENVIRONMENTAL CLEAN-UP | $ | 2,701,050 | $ | 2,701,050 |
| Conduct environmental remediation/restoration, compliance and conservation/prevention projects throughout the department. | | | | |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADM & SUPP COSTS | $ | 9,135,640 | $ | 9,135,640 |
| Indirect administration. | | | | |
| **Grand Total,** ADJUTANT GENERAL'S DEPARTMENT | $ | 35,971,592 | $ | 35,497,919 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 12,436,271 | $ | 11,952,598 |
| Adjutant General Federal Fund No. 449 | | 23,114,900 | | 23,124,900 |
| Other Funds | | | | |
| Appropriated Receipts | | 245,421 | | 245,421 |
| Interagency Contracts - Transfer from Foundation School Fund No. 193 | | 175,000 | | 175,000 |
| Subtotal, Other Funds | $ | 420,421 | $ | 420,421 |
| **Total, Method of Financing** | $ | 35,971,592 | $ | 35,497,919 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 490.0 | | 490.0 |
| **Schedule of Exempt Positions:** | | | | |
| Adjutant General, Group 3 | | $94,832 | | $94,832 |
| **Supplemental Appropriations Made in Riders:** | $ | 500,000 | $ | 0 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 15,121,230 | $ | 15,121,230 |
| Other Personnel Costs | | 243,510 | | 243,510 |
| Operating Costs | | 4,741,875 | | 4,756,875 |
| Professional Fees and Services | | 1,354,200 | | 1,194,200 |
| Fuels and Lubricants | | 15,000 | | 15,000 |
| Consumable Supplies | | 114,000 | | 114,000 |
| Utilities | | 1,820,300 | | 1,820,300 |
| Travel | | 239,325 | | 239,325 |
| Rent - Building | | 3,239,031 | | 3,750,358 |
| Rent - Machine and Other | | 507,000 | | 507,000 |
| Other Operating Expense | | 3,541,121 | | 3,541,121 |
| Client Services | | 1,220,000 | | 1,220,000 |
| Capital Expenditures | | 4,315,000 | | 2,975,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 36,471,592 | $ | 35,497,919 |

1. **Capital Budget.** None of the general revenue funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be

expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. This rider does not limit the use of federal funds obtained by the department.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | $ | 1,200,000 & UB | $ | UB |
| b. Acquisition of Information Resource Technologies | | 74,000 | | 110,000 |
| Total, Capital Budget | $ | 1,274,000 | $ | 110,000 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 1,024,420 | $ | 24,800 |
| Adjutant General Federal Fund No. 449 | | 249,580 | | 85,200 |
| Bond Proceeds - General Obligation Bonds | | UB | | UB |
| Total, Method of Financing | $ | 1,274,000 | $ | 110,000 |

2. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Adjutant General's Department for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance, including organization, of units of the Texas State Guard supplementing the Texas National Guard or replacing National Guard units inducted into federal service.

3. **Transferability.** The Adjutant General's Department is hereby authorized to transfer such amounts as may be necessary from one strategy to another strategy. No transfers shall be made into Strategy A.2.2, Debt Service. No transfer of federal reimbursements for state active duty shall be made out of Strategy A.1.1, Management, Operations and Training.

4. **Travel Limitations.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department shall pay the travel expenses of members of the National Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas National Guard.

5. **Payment of Travel - Limitation.** None of the funds appropriated above may be expended for the payment of travel of any officer or employee, except the Adjutant General of the State of Texas, Assistant Adjutant General-Army, Assistant Adjutant General-Air, and State Judge Advocate or the Adjutant General's designee for any one of these officers, to meetings of the National Guard Association of the United States.

6. **Armory Closure.** It is the intent of the Legislature that the Adjutant General's Department not close any armories due solely to insufficient funds to pay for utilities.

7. **Armory Utilities.** The Adjutant General's Department shall study each armory to ensure utility costs are kept to a minimum and the Adjutant General's Department shall charge rental fees for armories that are comparable to fees charged for similar facilities in the area where the armory is located. In any case, the rent charged must be adequate to recover any additional utility costs associated with the rental of the armory.

8. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.

9. **Road Construction and Maintenance at Camp Mabry Facilities.** The Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Camp Mabry facilities.

10. **Quarters and Utilities Allowance.** The Adjutant General, Assistant Adjutant General-Air, and the Assistant Adjutant General-Army are authorized to live in state-owned housing and are exempt from paying housing costs. The Adjutant General's Department may also allocate existing department housing to other department employees with a demonstrated need based on location and job description at a rate in accordance with Article IX, § 11.09 of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

11. **Appropriation - Billet Receipts.** Any billet receipts in excess of $200,475 in fiscal year 2004 and $200,475 in fiscal year 2005 (included in Appropriated Receipts) are hereby appropriated for use in Strategy A.2.1, Facilities/Equipment Modernization (estimated to be $0).

12. **Unexpended Balances, Payments to National Guard for State Active Duty.** Any unexpended balances as of August 31, 2004, in Strategy A.1.1, Management, Operations and Training, for payments to the National Guard for State Active Duty, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

13. **Cash Flow Contingency.** Contingent upon the receipt of federal funds, the Adjutant General's Department may temporarily utilize additional general revenue funds, pending receipt of federal reimbursement, in an amount not to exceed $3 million in each year of the biennium. The general revenue amounts utilized above the department's general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. At the end of each fiscal year, the $3 million must be repaid by November 30 of the following fiscal year. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller of Public Accounts. All transfers of the method of finance shall be reported by the department to the Governor and the Legislative Budget Board.

14. **Travel Limitations - State Guard.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department may pay the travel expenses of members of the Texas State Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas State Guard.

15. **Seaborne/ChalleNGe Youth Education Program.** Out of funds appropriated above in Strategy B.1.1, Community Support, $175,000 is appropriated from the Foundation School Program Fund for each year of the biennium. In the event the available amount is greater than $175,000 in each year, general revenue funds equal to the difference between the Foundation School Program funds and $175,000 shall lapse to the unobligated portion of the General Revenue Fund.

16. **Construction of a New Armory in Midland-Odessa.** Out of funds appropriated above in Strategy A.2.2, Debt Service, $734,148 shall be used for payment of debt service on revenue bonds to the Texas Military Facilities Commission for the construction of a new armory in Midland-Odessa.

17. **Unexpended Balances, General Obligation Bonds.** Any unexpended balances as of August 31, 2003, in the general obligation bonds appropriated by the 77th Legislature, Regular Session, for Repair or Rehabilitation of Buildings and Facilities (estimated at $500,000) are hereby appropriated for the same purposes for the biennium beginning September 1, 2003.

## ALCOHOLIC BEVERAGE COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** REGULATE DISTRIBUTION | | |
| To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of enforcement and education. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Licensed Establishments Inspected Annually | 70% | 70% |
| **A.1.1. Strategy:** DETER/DETECT VIOLATIONS | $ 15,848,684 | $ 15,824,776 |
| Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverage laws. | | |
| **Output (Volume):** | | |
| Number of Inspections Made | 106,000 | 106,000 |
| **Efficiencies:** | | |
| Average Cost Per Inspection | 152.18 | 153.87 |
| **B. Goal:** LICENSING | | |
| To process and issue license and permit applications while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Original License/Permit Applications Processed within 14 Days | 99% | 99% |
| **B.1.1. Strategy:** ENSURE LAW COMPLIANCE | $ 1,945,081 | $ 1,942,010 |
| Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities, and other regulatory requirements. | | |
| **Output (Volume):** | | |
| Number of Licenses/Permits Issued | 98,162 | 99,144 |
| **Efficiencies:** | | |
| Average Cost Per License/Permit Processed | 23.61 | 23.3 |
| **C. Goal:** COLLECT FEES AND TAXES | | |
| To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions | 25.5% | 25.5% |
| **C.1.1. Strategy:** COMPLIANCE MONITORING | $ 5,041,312 | $ 4,544,827 |
| Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance | | |

| | | | | |
|---|---|---|---|---|
| and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance. | | | | |
| **Output (Volume):** | | | | |
| Number of Inspections, Analyses and Compliance Activities | | 85,000 | | 85,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Inspection, Analysis, and Compliance Activity | | 31.76 | | 31.82 |
| **C.2.1. Strategy:** PORTS OF ENTRY | $ | 3,014,500 | $ | 3,016,450 |
| Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes. Nontransferable. | | | | |
| **Output (Volume):** | | | | |
| Number of Alcoholic Beverage Containers and Cigarette Packages Stamped | | 5,019,136 | | 5,119,518 |
| **Total, Goal C:** COLLECT FEES AND TAXES | $ | 8,055,812 | $ | 7,561,277 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 1,517,459 | $ | 1,546,645 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 2,378,229 | $ | 2,159,091 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 570,526 | $ | 569,696 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 4,466,214 | $ | 4,275,432 |
| **Grand Total,** ALCOHOLIC BEVERAGE COMMISSION | $ | 30,315,791 | $ | 29,603,495 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 29,750,828 | $ | 29,038,533 |
| Other Funds | | | | |
| Interagency Contracts | | 362,464 | | 362,464 |
| Criminal Justice Grants | | 202,499 | | 202,498 |
| Subtotal, Other Funds | $ | 564,963 | $ | 564,962 |
| **Total, Method of Financing** | $ | 30,315,791 | $ | 29,603,495 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 5,139,540 | $ | 5,211,357 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 579.5 | | 579.5 |
| **Number of FTEs in Riders:** | | 0.0 | | 8.0 |
| **Schedule of Exempt Positions:** | | | | |
| Administrator, Group 3 | | $91,000 | | $91,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 0 | $ | 509,110 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 19,685,081 | $ | 20,057,512 |
| Other Personnel Costs | | 1,183,843 | | 943,434 |
| Operating Costs | | 4,073,975 | | 3,822,574 |
| Professional Fees and Services | | 917,500 | | 910,000 |
| Fuels and Lubricants | | 230,667 | | 230,667 |
| Consumable Supplies | | 225,162 | | 225,162 |
| Utilities | | 172,186 | | 164,366 |
| Travel | | 234,389 | | 231,443 |

| | | | | |
|---|---|---|---|---|
| Rent - Building | | 1,500,799 | | 1,479,756 |
| Rent - Machine and Other | | 642,163 | | 642,163 |
| Other Operating Expense | | 1,168,476 | | 1,190,137 |
| Capital Expenditures | | 281,550 | | 215,391 |
| **Total, Object-of-Expense Informational Listing** | $ | 30,315,791 | $ | 30,112,605 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Computer Equipment - Leased | $ | 269,550 | $ | 329,424 |
| (2) Mainframe Operations | | 291,411 | | 291,411 |
| (3) Modern Enterprise Environment | | 1,275,050 | | 1,055,950 |
| Total, Acquisition of Information Resource Technologies | $ | 1,836,011 | $ | 1,676,785 |
| b. Transportation Items | | | | |
| (1) Fleet Acquisitions (6 Replacement Vehicles) | | 0 | | 134,441 |
| Total, Capital Budget | $ | 1,836,011 | $ | 1,811,226 |

2. **Hazardous Duty Pay Authorized.** The Texas Alcoholic Beverage Commission is authorized to pay hazardous duty pay at a rate of $7.00 per month for each year of state service up to and including the thirtieth year of service, to any commissioned law enforcement personnel as prescribed by law.

   It is further provided that individuals who had received hazardous duty pay as of August 31, 1981, shall continue to receive hazardous duty pay for the biennium beginning with the effective date of this Act. Individuals hired after August 31, 1981, shall not receive hazardous duty pay unless so authorized by § 659.062, Government Code.

3. **Witness Expenses Authorized.** No other provisions of this Article shall prevent payment by the State of Texas of salaries and expenses incurred by representatives of the Texas Alcoholic Beverage Commission in attendance on state or federal grand jury proceedings, and who may be called as witnesses in the trial of criminal or civil cases in state or federal courts involving offenses complained of against state or federal liquor regulatory or revenue laws. It is further provided that any fees collected by such representatives in performing such duties shall be deposited in the State Treasury to the credit of the appropriations made above.

4. **Revolving Fund.** The revolving change fund created by prior legislatures in the amount of $10,000 for use at the several International Bridges is hereby appropriated out of the funds above for the biennium beginning with the effective date of this Act for the same purposes.

5. **State Police Agency.** For purposes of application to the federal government for licenses, permits, or other authorizations, including radio frequencies, or for law enforcement assistance grants, the Texas Alcoholic Beverage Commission shall be considered a state police agency in accordance with the Alcoholic Beverage Code and other applicable laws.

6. **Fleet of Motor Vehicles Authorized.** It is the intent of the Legislature that the agency purchase and maintain a fleet of vehicles. If these vehicles are unmarked for law enforcement purposes, these vehicles shall be utilized only by personnel who are commissioned peace officers or those persons responsible for the maintenance and repair of these vehicles. Vehicles which are properly marked pursuant to state requirements, may be utilized for other legitimate agency purposes as needed by personnel employed in the Enforcement and Compliance Divisions.

7. **Purchase of Evidence Authorized.** From the amounts authorized above, the Texas Alcoholic Beverage Commission is hereby authorized to establish a cash fund not to exceed $50,000 for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Commission.

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Agent Training.** It is the intent of the Legislature that the Texas Alcoholic Beverage Commission, as part of its initial and ongoing training of its certified peace officers, emphasize the evidentiary threshold required in prosecution of criminal cases as it applies to minors in possession of alcoholic beverages.

10. **Clothing Provisions.**

    a. A commissioned officer who received a $1,200 clothing allowance pursuant to the General Appropriations Act during the 2002–03 biennium shall receive a $1,200 clothing allowance in the 2004–05 biennium.

    b. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

    c. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a $500 cleaning allowance. No rank other than that of agent is entitled to a $500 cleaning allowance.

    d. The Texas Alcoholic Beverage Commission may purchase uniforms for Tax Collectors at International Bridges.

11. **Contingency Rider - Ports of Entry (Anzalduas Bridge).** Contingent upon the opening of Anzalduas Bridge, the Texas Alcoholic Beverage Commission is hereby appropriated $132,685 for fiscal year 2005 out of the General Revenue Fund to Strategy C.2.1, Ports of Entry, for the purpose of regulating the personal importation of alcoholic beverages and cigarettes. Also contingent upon the opening of the bridge listed, the "Number of Full-Time-Equivalent Positions" listed above is increased by 4 for fiscal year 2005. This appropriation is also contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code, by $132,685 and providing such

information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

12. **Contingency Rider - Ports of Entry (Donna Bridge).** Contingent upon the opening of the Donna Bridge, the Texas Alcoholic Beverage Commission is hereby appropriated $106,427 in fiscal year 2005 out of the General Revenue Fund to Strategy C.2.1, Ports of Entry, for the purpose of regulating the personal importation of alcoholic beverages and cigarettes. Also contingent upon the opening of the bridge listed, the "Number of Full-Time-Equivalent Positions" listed above is increased by 4 for fiscal year 2005. This appropriation is also contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code, by $106,427 and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenue are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

13. **Contingency Appropriation: Compliance Increase.** Contingent upon the Texas Alcoholic Beverage Commission not receiving criminal justice grant funding or federal funding for the continuation of the agency's compliance investigators for fiscal year 2005, the Texas Alcoholic Beverage Commission is hereby appropriated $269,998 out of the General Revenue Fund in fiscal year 2005 for the purpose of maintaining the compliance officer funding. This appropriation is contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges pursuant to § 5.50 of the Alcoholic Beverage Code and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits.

## DEPARTMENT OF CRIMINAL JUSTICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROVIDE PRISON DIVERSIONS<br>To provide diversions to traditional prison incarceration by the use of community supervision and other community-based programs. | | |
| **Outcome (Results/Impact):** | | |
| Felony Community Supervision Annual Revocation Rate | 8.9% | 8.9% |
| **A.1.1. Strategy:** BASIC SUPERVISION<br>Secure and distribute funding necessary to provide adequate basic community supervision services that meet required levels of supervision. | $ 101,496,630 | $ 101,781,606 |
| **Output (Volume):** | | |
| Average Number of Felony Offenders under Direct Supervision | 160,579 | 161,162 |

| | | | | |
|---|---|---|---|---|
| **A.1.2. Strategy:** DIVERSION PROGRAMS | $ | 63,321,956 | $ | 63,321,956 |
| Allow for the development of programs to divert adult offenders to community-based programs and away from traditional incarceration. | | | | |
| **Output (Volume):** | | | | |
| Number of Residential Facility Beds Grant-funded | | 2,083 | | 2,083 |
| **A.1.3. Strategy:** COMMUNITY CORRECTIONS | $ | 43,756,752 | $ | 43,756,752 |
| Provide formula-allocated aid to community-based correctional programs to encourage the development of alternatives to incarceration. | | | | |
| **Output (Volume):** | | | | |
| Number of Residential Facility Beds Funded through Community Corrections | | 608 | | 608 |
| **Total, Goal A:** PROVIDE PRISON DIVERSIONS | $ | 208,575,338 | $ | 208,860,314 |
| **B. Goal:** SPECIAL NEEDS OFFENDERS | | | | |
| To provide a comprehensive continuity of care system for special needs offenders through statewide collaboration and coordination. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent Reduction in Arrests | | 25% | | 25% |
| **B.1.1. Strategy:** SPECIAL NEEDS PROJECTS | $ | 15,450,259 | $ | 15,450,259 |
| Provide projects that coordinate multi-agency efforts for special needs offenders through case management and treatment services. | | | | |
| **Output (Volume):** | | | | |
| Number of Special Needs Offenders Served Through the Continuity of Care Programs | | 12,500 | | 13,000 |
| **C. Goal:** INCARCERATE FELONS | | | | |
| To provide for confinement, supervision, rehabilitation and reintegration of adult felons. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Escaped Offenders as Percentage of Number of Offenders Incarcerated | | 0% | | 0% |
| Three-year Recidivism Rate | | 33% | | 33% |
| Turnover Rate of Correctional Officers | | 21% | | 21% |
| **C.1.1. Strategy:** SECURITY/CLASSIFICATION | $ | 929,553,415 | $ | 929,553,415 |
| Provide security resources and a classification system that ensures an appropriate environment. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Offenders Incarcerated | | 138,877 | | 141,067 |
| **C.1.2. Strategy:** INSTITUTIONAL GOODS/SERVICES | $ | 406,048,689 | $ | 406,048,686 |
| Provide goods and services necessary to house and maintain the inmate population and operate institutional facilities. | | | | |
| **Efficiencies:** | | | | |
| Support Services Cost Per Inmate Day | | 7.99 | | 7.89 |
| **C.1.3. Strategy:** PSYCHIATRIC CARE | $ | 43,633,007 | $ | 43,633,006 |
| Maintain and support a professional psychiatric care program capable of providing quality services to all inmates. | | | | |
| **Output (Volume):** | | | | |
| Psychiatric Inpatient Average Daily Census | | 1,950 | | 1,950 |
| **C.1.4. Strategy:** MANAGED HEALTH CARE | $ | 285,616,116 | $ | 283,816,117 |
| Maintain and support a professional managed health care program capable of providing quality services to all inmates. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Inmates under Correctional Managed Health Care | | 139,274 | | 141,464 |
| **Efficiencies:** | | | | |
| Medical Care Cost Per Inmate Day | | 5.6 | | 5.5 |

| | | | | |
|---|---|---|---|---|
| **C.1.5. Strategy:** CONTRACTED TEMPORARY CAPACITY | $ | 0 | $ | 0 |
| Provide for payments to counties and private entities for correctional bed capacity on a contractual temporary basis. | | | | |
| **Explanatory:** | | | | |
| Average Number of Inmates in Contractual Correctional Bed Capacity | | 0 | | 0 |
| **C.2.1. Strategy:** TEXAS CORRECTIONAL INDUSTRIES | $ | 71,574,971 | $ | 71,574,971 |
| Prepare the inmate for reintegration into society by providing the opportunity for on-the-job training in Texas Correctional Industries. | | | | |
| **Output (Volume):** | | | | |
| Number of Inmates Assigned to the Texas Correctional Industries Program | | 7,200 | | 7,200 |
| **C.2.2. Strategy:** ACADEMIC/VOCATIONAL TRAINING | $ | 6,201,337 | $ | 6,201,338 |
| Offer post-secondary academic and vocational training needed for the further development of mental and job skills. | | | | |
| **Output (Volume):** | | | | |
| Inmate Students Enrolled | | 13,563 | | 13,338 |
| **C.2.3. Strategy:** TREATMENT SERVICES | $ | 15,133,776 | $ | 15,181,821 |
| Provide screening during the diagnostic/intake process that identifies special needs and appropriate services as needed. | | | | |
| **Output (Volume):** | | | | |
| Number of Sex Offenders Receiving Psychological Counseling While on Parole/Mandatory Supervision | | 1,562 | | 1,562 |
| **C.2.4. Strategy:** SUBSTANCE ABUSE TREATMENT | $ | 57,070,740 | $ | 57,070,740 |
| Provide a substance abuse treatment program with well-defined goals that includes a highly structured work environment, education, a graded system of rewards/sanctions, regular scheduled evaluation, and a post-release continuum of care. | | | | |
| **Output (Volume):** | | | | |
| Number of Confinees Completing Treatment in Substance Abuse Felony Punishment Facilities (SAFPF) | | 5,800 | | 5,800 |
| **C.3.1. Strategy:** CONTRACT PRISONS/PRIVATE ST JAILS | $ | 131,989,985 | $ | 132,062,329 |
| Contract for prisons that provide eligible inmates with full-time work, education and/or programming; and contract for privately operated state jails. | | | | |
| **Output (Volume):** | | | | |
| Average Number of Offenders in Contract Prisons and Privately Operated State Jails | | 11,172 | | 11,172 |
| **Total, Goal C:** INCARCERATE FELONS | $ | 1,946,822,036 | $ | 1,945,142,423 |
| **D. Goal:** ENSURE ADEQUATE FACILITIES | | | | |
| Ensure and maintain adequate housing and support facilities for convicted felons during confinement. | | | | |
| **D.1.1. Strategy:** FACILITIES CONSTRUCTION | $ | UB | $ | UB |
| Construction and repair of facilities. | | | | |
| **D.1.2. Strategy:** LEASE-PURCHASE OF FACILITIES | $ | 18,815,940 | $ | 18,838,180 |
| Provide for lease-purchase of facilities. | | | | |
| **Total, Goal D:** ENSURE ADEQUATE FACILITIES | $ | 18,815,940 | $ | 18,838,180 |

| | | | | |
|---|---|---|---|---|
| **E. Goal:** OPERATE PAROLE SYSTEM<br>To provide supervision and administer the range of options and sanctions available for felons' reintegration back into society following release from confinement. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Releasee Annual Revocation Rate | | 12.7% | | 12.5% |
| **E.1.1. Strategy:** BOARD OF PARDONS & PAROLES<br>Consider eligible offenders for release prior to completion of their sentence of confinement, exercise statutory authority for decision-making relative to parole or acts of clemency, and conduct revocation hearings as required by law. | $ | 9,155,671 | $ | 9,155,669 |
| **Output (Volume):** | | | | |
| Number of Parole Cases Considered | | 78,000 | | 78,000 |
| **E.1.2. Strategy:** PAROLE SELECTION<br>Provide necessary support to the Board of Pardons and Paroles and ensure compliance with all statutory requirements for parole, mandatory release, and executive clemency actions. | $ | 14,174,857 | $ | 14,174,858 |
| **Output (Volume):** | | | | |
| Number of Parole Cases Processed | | 38,147 | | 38,147 |
| **E.2.1. Strategy:** PAROLE SUPERVISION<br>Supervise releasees according to legally mandated ratios. | $ | 79,153,908 | $ | 79,523,046 |
| **Output (Volume):** | | | | |
| Number of Pre-revocation Warrants Issued | | 37,600 | | 37,600 |
| **E.2.2. Strategy:** RESIDENTIAL PAROLE<br>Provide sufficient resources to ensure adequate surveillance and control of clients residing in pre-parole transfer, halfway houses, work release facilities, and intermediate sanction facilities; and ensure residents receive appropriate assistance in making the transition from prison to community life. | $ | 64,353,102 | $ | 64,353,103 |
| **Output (Volume):** | | | | |
| Average Number of Pre-parole Transferees in Pre-parole Transfer Facilities | | 2,270 | | 2,276 |
| Average Number of Releasees in Intermediate Sanction Facilities | | 1,612 | | 1,616 |
| **Total, Goal E:** OPERATE PAROLE SYSTEM | $ | 166,837,538 | $ | 167,206,676 |
| **F. Goal:** INDIRECT ADMINISTRATION | | | | |
| **F.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 35,612,106 | $ | 35,539,737 |
| **F.1.2. Strategy:** INFORMATION RESOURCES | $ | 25,961,354 | $ | 23,064,062 |
| **F.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 3,887,326 | $ | 3,887,327 |
| **Total, Goal F:** INDIRECT ADMINISTRATION | $ | 65,460,786 | $ | 62,491,126 |
| **Grand Total,** DEPARTMENT OF CRIMINAL JUSTICE | $ | 2,421,961,897 | $ | 2,417,988,978 |

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 2,236,361,480 | $ | 2,238,940,514 |
| Education and Recreation Program Receipts | | 62,916,089 | | 62,916,090 |
| Texas Correctional Industries Receipts | | 11,120,562 | | 11,120,562 |
| Subtotal, General Revenue Fund | $ | 2,310,398,131 | $ | 2,312,977,166 |

| | | |
|---|---|---|
| General Revenue Fund - Dedicated | | |
| Private Sector Prison Industry Expansion Account No. 5060 | 500,166 | 500,166 |
| Compensation to Victims of Crime Account No. 469 | 2,732,775 | 2,732,775 |
| Subtotal, General Revenue Fund - Dedicated | $ 3,232,941 | $ 3,232,941 |
| Federal Funds | | |
| Federal Funds | 522,142 | 570,188 |
| Federal Funds for Incarcerated Aliens | 32,959,099 | 32,959,099 |
| Subtotal, Federal Funds | $ 33,481,241 | $ 33,529,287 |
| Other Funds | | |
| Interagency Contracts - Texas Correctional Industries | 38,718,469 | 38,718,469 |
| Appropriated Receipts | 17,970,976 | 11,370,976 |
| Interagency Contracts | 7,761,514 | 7,761,514 |
| Bond Proceeds - General Obligation Bonds | UB | UB |
| Governor's Emergency and Deficiency Grant | 3,250,000 | 3,250,000 |
| Criminal Justice Grants | 7,148,625 | 7,148,625 |
| Subtotal, Other Funds | $ 74,849,584 | $ 68,249,584 |
| **Total, Method of Financing** | $ 2,421,961,897 | $ 2,417,988,978 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 40,697.4 | 40,714.9 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 6 | $150,000 | $150,000 |
| Chair, Board of Pardons & Paroles, Group 3 | 85,800 | 85,800 |
| Parole Board Member, Group 3 | (17) 83,200 | (17) 83,200 |
| **Supplemental Appropriations Made in Riders:** | $ 71,900,000 | $ 0 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,154,907,702 | $ 1,153,869,995 |
| Other Personnel Costs | 50,233,618 | 50,362,506 |
| Professional Fees and Services | 357,916,111 | 354,052,427 |
| Fuels and Lubricants | 5,355,057 | 5,355,057 |
| Consumable Supplies | 13,991,866 | 14,003,194 |
| Utilities | 83,787,653 | 83,812,842 |
| Travel | 8,268,404 | 8,268,644 |
| Rent - Building | 12,956,997 | 12,956,999 |
| Rent - Machine and Other | 4,287,827 | 4,287,827 |
| Other Operating Expense | 365,338,379 | 367,035,546 |
| Client Services | 31,261,967 | 31,261,967 |
| Food for Persons - Wards of State | 82,586,575 | 82,586,575 |
| Grants | 221,098,511 | 221,383,487 |
| Capital Expenditures | 101,871,230 | 28,751,912 |
| **Total, Object-of-Expense Informational Listing** | $ 2,493,861,897 | $ 2,417,988,978 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Construction of Buildings and Facilities | | |
| (1) Expansion of the Western Regional Medical Facility | $ UB | $ UB |
| (2) Lease-Purchase of Facilities | 18,815,940 | 18,838,180 |
| Total, Construction of Buildings and Facilities | $ 18,815,940 | $ 18,838,180 |
| b. Repair or Rehabilitation of Buildings and Facilities | UB | UB |
| c. Acquisition of Information Resource Technologies | | |
| (1) Computer and Software Acquisitions | 3,246,901 | 2,161,401 |
| d. Transportation Items | 0 | 590,730 |
| e. Acquisition of Capital Equipment and Items | 3,933,286 | 3,460,939 |
| Total, Capital Budget | $ 25,996,127 | $ 25,051,250 |

Method of Financing (Capital Budget):

| | | |
|---|---|---|
| General Revenue Fund | | |
| General Revenue Fund | $ 24,532,745 | $ 24,060,213 |
| Texas Correctional Industries Receipts | 365,845 | 247,759 |
| Subtotal, General Revenue Fund | $ 24,898,590 | $ 24,307,972 |
| Other Funds | | |
| Bond Proceeds - General Obligation Bonds | UB | UB |
| Interagency Contracts - Texas Correctional Industries | 1,097,537 | 743,278 |
| Subtotal, Other Funds | $ 1,097,537 | $ 743,278 |
| Total, Method of Financing | $ 25,996,127 | $ 25,051,250 |

2. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries of engineers, architects, superintendents, supervisors and administrative expenses and support personnel of construction projects; architectural fees and the actual and necessary travel expenses incurred by them or their representatives in making special trips of inspection at the instance of the Board of Criminal Justice or the Department of Criminal Justice's Executive Director or designee during construction or repair of buildings or installation of fixed equipment in such buildings. The State Classification Officer shall approve job titles and rates of pay for such salaried positions.

3. **Temporary Loan of Construction Resources.** The Texas Department of Criminal Justice (TDCJ) may temporarily utilize materials and equipment acquired and personnel paid from one project appropriated for construction, repairs, and renovation, including construction of additional capacity, and building maintenance, to construct any other similar project for which funds have been appropriated. The receiving project must reimburse the providing project within twelve months with funds and/or a like amount of materials, equipment, equipment usage or personnel of equivalent value. Reimbursement with funds may be accomplished by

transfer in a manner which records appropriate expenditures to the borrowing project and negative expenditures to the lending project. These transfers may be summary amounts in a manner approved by the Comptroller of Public Accounts. However, the TDCJ must maintain adequate detailed records to support such summary transfer amounts.

4. **Architectural Fees.** Notwithstanding other provisions of this Act, in those instances where inmate labor is used on construction projects, the Department of Criminal Justice is authorized to pay architectural fees based on the estimated total cost of a project as if it were to be done by a private contractor. The department shall employ an independent firm, separate from the architect, to estimate the total cost of a project. Architectural fees based on the estimated cost shall be governed by other provisions of this Act.

5. **Construction Encumbrances.** Any funds legally encumbered for construction contracts for projects which are in effect as of August 31, 2003, are considered encumbered and may be carried forward to fiscal year 2004.

6. **Review of Construction Change Orders.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ), upon the review of any change order, develop a procedure whereby cause of such change order shall be determined and documented in the project file. If it is determined that the change was necessitated by the error or omission of any contracted party, the TDCJ shall hold such party financially responsible.

7. **Utilization of Existing Correctional Facilities.** It is the intent of the Legislature that full consideration be given to utilizing existing correctional facilities located in the State of Texas and currently owned or operated by federal or local governments. Appropriations to the department may be used for the purposes of leasing, purchasing or contracting for operations if agreements can be reached which are beneficial to the State.

8. **Prison Construction Prioritization.** It is the intent of the Legislature that the Department of Criminal Justice prioritize any construction of additional capacity in such a way as to ensure the expeditious completion of any units on which work had been started and subsequently suspended.

9. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Department of Criminal Justice is authorized to adjust salaries of the following position series to rates within the designated salary group for the purpose of recruiting, employing, and retaining career correctional personnel:

   a. Correctional Officer;
   b. Sergeant, Lieutenant, Captain, and Major of Correctional Officers;
   c. Food Service Manager;
   d. Laundry Manager; and
   e. Caseworker and Parole Officer.

   Merit raises are prohibited for all employees who are receiving or are eligible to receive step adjustments in the career ladder system.

10. **Appropriation: Meals Authorized.** Department employees assigned to work inside correctional facilities or on travel status may receive up to two free meals per shift and employees residing in employee dormitories may receive three free meals per day. None of the funds appropriated above shall be utilized to provide meals to other employees for a charge of less than $1.00 per meal or to grow, purchase, prepare, or provide food products for employees to use at their homes. All meal fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $8,904 in fiscal year 2004 and $8,904 in fiscal year 2005 are hereby appropriated to the department for the same purpose.

11. **Restriction, Food Service.** The Texas Department of Criminal Justice may provide food items to employees in employee dining facilities, only after the food requirements of inmates are met. The food served to inmates shall be of the same quality as food served to employees.

12. **Payroll Deduction.** Fees for employee services will be made by payroll deduction whenever practical.

13. **Benefit Policy Required.** The Board of Criminal Justice shall adopt a written policy relating to benefits provided in Riders 10 and 15 specifying the criteria used to award these benefits to employees, and shall develop a system to account for all costs related to these benefits and all revenues from collection of fees. The Board of Criminal Justice policy shall be filed annually with the Governor, the Legislative Budget Board, and the Legislative Reference Library.

14. **Appropriation: State-owned Housing Authorized.**

    a. The department's Regional Directors, Chief Wardens, Assistant Wardens, Majors of Correctional Officers, Captain of Correctional Officers, Lieutenant of Correctional Officers, Kennel Sergeants, Maintenance Supervisors, and Fire/Safety Managers at each facility are authorized to live in state-owned housing at rental rates determined by the department.

    b. Other department employees may live in available state-owned housing as set forth in Article IX, § 11.09, State Owned Housing - Recover Housing Costs of this Act.

    c. All fees received for employee housing are appropriated above in Strategy C.1.2, Institutional Goods/Services to be used for maintaining employee housing. Any fees collected in excess of $537,495 in fiscal year 2004 and $537,495 in fiscal year 2005 are hereby appropriated to the department for the same purpose.

    d. Notwithstanding Article IX, § 11.09 the department may allocate housing at reduced or no cost to employees with a demonstrated need based on location and job description.

15. **Appropriation: Laundry Service.** The department may launder or dry clean the uniforms of correctional officers at no charge. None of the funds appropriated above may be used to launder or dry clean other employee clothing or to provide other services unless fees are charged to recover the cost of providing the services. All fees collected for laundry and other related services are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $823,919 in fiscal year 2004 and $823,919 in fiscal year 2005 are hereby appropriated to the department for the same purpose.

16. **Inmate Labor.** It is the intent of the Legislature that inmate labor not be used to provide personal services for employees. Inmate labor may be used to provide maintenance and upkeep to state property and equipment.

17. **Employee Medical Care.** Appropriations made in this Act not otherwise restricted in use may also be expended to provide medical attention and hospitalization by correctional medical staff and the correctional hospital facilities, or to pay necessary medical expenses for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.

18. **Compensatory Time.** Exceptions to the prohibition against substituting other days for holidays may be authorized by the Director of the Texas Department of Criminal Justice for employees who are required to work on holidays due to the continuing operation of the department. Any employee who is required to work on any of the holidays authorized in the general provisions of this Act, and who does work on any of the said holidays, shall be entitled to compensating time off to be taken on such day as may be mutually agreed upon by the employee and his supervisor.

19. **Hazardous Duty Pay.** It is the legislative intent that all persons receiving hazardous duty pay as of August 31, 1985, continue to receive it. However, all persons hired after August 31, 1985, must occupy positions approved by the Texas Board of Criminal Justice and meet statutory criteria to receive hazardous duty pay.

20. **Employment Limitation.** It is the intent of the Legislature that no one shall be employed by the Department of Criminal Justice who, in the course of his official duties, conducts business with individuals or firms with which the employee has either a direct or indirect financial interest.

21. **Grievance Procedures.** The Board of Criminal Justice shall maintain employee disciplinary and grievance procedures in compliance with this section.

    The Board's disciplinary procedures shall allow an employee of the department to be represented by a designee of the employee's selection who may participate in the hearing on behalf of an employee charged with any type of disciplinary violation.

    The Board's grievance procedure shall attempt to solve problems through a process which recognizes the employee's right to bring grievances pursuant to the procedures in this section. The grievance procedure shall include either independent mediation or independent, non-binding arbitration of disputes between the employer and the employee if the disciplining authority recommends that the employee be terminated or the employee is terminated.

    Any grievance or disciplinary hearing in which a department employee serves as a representative shall be held during normal business hours on a week day, unless the employer and employee agree otherwise. The employee subject to the hearing attends such hearing as a part of regular employment duties. An employee representative who is a department employee must obtain prior approval to be placed on unpaid leave to attend a hearing.

    Nothing in this provision shall authorize expenditures of appropriated funds not authorized elsewhere in this Act.

22. **Transfer Authority within and between Goals.** Subject to capital budget provisions contained in this Act, the Texas Department of Criminal Justice is authorized to transfer such amounts as may be necessary within appropriations made for each goal.

    Funds may be transferred between goals; provided, that before any transfer between goals which will have the cumulative effect of changing expenditures for any goal by more than 20 percent of the amount appropriated for that goal for the fiscal year, written notification of intent to transfer be provided the Governor, the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations Committee.

23. **Petty Cash Fund Authorized.** The local Petty Cash Revolving Fund in the amount of $10,000 is continued for the biennium beginning September 1, 2003, and may be used to advance or reimburse transfer agents and for the care and maintenance of convicted felons while enroute to the department from points in Texas and elsewhere in the United States; and for the payment of

C.O.D. freight and express charges and similar items requiring immediate cash disbursements. The funds shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

24. **Revolving Fund Authorized.** The local Inmate Release Revolving Fund of $500,000 is continued for each year of the biennium beginning September 1, 2003, and is deposited in a bank or banks in Texas; and all inmates released on parole, mandatory supervision, discharge, or conditional pardon shall be paid out of this fund. The fund shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

25. **Appropriation: Agriculture Receipts.** It is the intent of the Legislature that each year of the biennium the Texas Department of Criminal Justice (TDCJ) may exchange agricultural products for other agricultural products and finished goods, and all revenue accruing from the sale of agricultural commodities or livestock and other revenues as they apply to sales of equipment, salvage, refunds and to recover damage claims are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any revenues collected in excess of $5,725,974 in fiscal year 2004 and $5,725,974 in fiscal year 2005 are hereby appropriated to the department for agricultural operations. Any unexpended balance up to $2,000,000 remaining from revenues on August 31, 2003, and August 31, 2004, is appropriated to allow for continuity of agricultural production and sales cycles which do not conform to fiscal years (fiscal year 2003 unexpended balance estimated to be $0).

26. **Appropriation: Acceptance of Grants, Gifts.** The Board of Criminal Justice is authorized to accept federal grants, donations and gifts, including those of real property, for the programs and projects of the agency. All such gifts, donations, and grants are appropriated above in Strategy C.1.1, Security/Classification, for the purposes for which they are made available; provided, however, that in taking advantage of or accepting such funds, the Board shall not incur any indebtedness which would necessitate a supplemental or additional appropriation out of any funds of this State nor deplete any of the funds herein appropriated to an amount which would necessitate a supplemental or additional appropriation out of any funds of this state to replenish said fund or funds.

27. **Appropriation: Controlled Substance Receipts.** All funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code, by the Texas Department of Criminal Justice are hereby appropriated above in Strategy F.1.1, Central Administration, to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year (fiscal year 2003 unexpended balance estimated to be $0).

28. **Supply Revolving Fund Authorized.** The State Comptroller shall establish a separate account from which consumable supply costs shall be paid. From funds herein appropriated, the department may establish, maintain, and operate on a reimbursable basis a supply revolving fund which will contribute to the efficiency and economical operation of the department.

    Rules shall be established to avoid depletion of the revolving fund. To reimburse the fund from which expenditures are made, the department may make fund transfers from the appropriations of the activities which receive the supplies or may submit purchase vouchers through the Office of the State Comptroller.

29. **Appropriation: Texas Correctional Industries Receipts.** All receipts collected from the sales of products produced by Texas Correctional Industries (TCI) are appropriated above in Strategy C.2.1, Texas Correctional Industries. Any receipts collected in excess of $49,839,031 in fiscal year 2004 and $49,839,031 in fiscal year 2005 are hereby appropriated to the department for the continued production of TCI goods and services. Any unexpended and unobligated balance up to $5,000,000 remaining from TCI revenues on August 31, 2003, and August 31, 2004, is

appropriated to the department for the same purpose. The State Comptroller shall transfer any unobligated fund balances from Texas Correctional Industries receipts in excess of $5,000,000 to the General Revenue Fund at the end of each fiscal year (fiscal year 2003 unexpended balance estimated to be $0).

30. **Appropriation: Unexpended Balances for Increased Offender Populations.** In order to operate new correctional facilities or programs necessary for increased offender populations under the department's supervision, unexpended balances from appropriations made to the Department of Criminal Justice for fiscal year 2004 are hereby appropriated to the Department for fiscal year 2005 contingent upon written notification to the Governor and the Legislative Budget Board by the Texas Board of Criminal Justice, not less than 30 days prior to encumbrance, which details the amount and purpose of expenditures of funds carried forward into fiscal year 2005 under authority of this provision.

31. **Transfer Limitation.** Upon any order from a federal court that requires the Texas Department of Criminal Justice to transfer funds from any appropriation made hereinabove, those funds which were attempted to be transferred shall lapse and the Comptroller shall return the amount appropriated to its respective source.

32. **Offender Information Management System.** It is the intent of the Legislature that the Department of Criminal Justice automate the offender management function to the greatest extent possible. To this end, the department may contract for automation/reengineering assistance after receiving prior approval from the Legislative Budget Board. Funds for this payment may come from benefits and savings as realized.

    The Texas Department of Criminal Justice shall demonstrate that the current phase (Phase III, Period 1) of the Offender Information Management System meets the business needs of the agency and the technical capabilities, performance, and specifications identified during the development phase of the project. The Texas Department of Criminal Justice shall validate that all product requirements are satisfied and that no outstanding issues exist. Senior management of the Board of Pardons and Paroles, the Texas Department of Criminal Justice, and the Parole Division of the Texas Department of Criminal Justice shall provide to the Governor and the Legislative Budget Board, a letter of certification validating the usability and functionality of the current system (Phase III, Period 1) before expenditure of funds by the Texas Department of Criminal Justice for the next phase of the project (Phase III, Period 2).

    The Texas Department of Criminal Justice shall provide a detailed project plan for the next phase of the Offender Information Management System (Phase III, Period 2), to the Governor and the Legislative Budget Board prior to the expenditure of funds for project implementation. This plan shall include a detailed description of tasks, deliverables, milestones, work efforts, responsible individuals, and due dates. The Texas Department of Criminal Justice shall provide performance measures to assist in evaluating the progress of the project. The Texas Department of Criminal Justice shall continue to provide monthly status reports to the Quality Assurance Team to include project status, change management, risk management, issue and action items, deliverables and scheduled accomplishments.

33. **Council on Impaired Offenders.** The department shall continue current administrative, client services, and services of the Council on Offenders with Mental Impairments.

34. **Appropriation: Recreational Facility Fees.** Fees charged for recreation facilities owned and operated by the department are to be deposited in a special account with the Comptroller of Public Accounts. All recreational facility fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $36,144 in fiscal year 2004 and $36,144 in fiscal year 2005 are hereby appropriated to the department for continued operation and maintenance of the department's recreational facilities. Any balances on hand

August 31, 2003, are hereby appropriated for the 2004-05 biennium for the operation and maintenance of the facilities (fiscal year 2003 unexpended balance estimated to be $0).

35. **Purchasing Through Request for Proposal.** The Texas Department of Criminal Justice may purchase care, treatment services, and residential services through the Request for Proposal process.

    The Texas Department of Criminal Justice shall:

    a. negotiate purchases to achieve fair and reasonable prices at rates that do not exceed any maximum provided by law, and

    b. select service providers according to each provider's qualifications and demonstrated competence.

36. **Parole Supervision Ratio.** It is the intent of the Legislature that in fiscal years 2004 and 2005 a ratio of 75 active releasees to one parole officer be maintained. The ratio will be calculated by dividing the number of supervising parole officers and caseworkers currently employed into the total number of releasees supervised, exclusive of those under intensive and super intensive supervision, for which a ratio of 25 and 20 releasees to one supervising officer respectively is to be maintained. In the event that this ratio is not maintained, the Texas Department of Criminal Justice shall file a statement documenting the reasons for noncompliance with the Governor and the Legislative Budget Board.

37. **Battering Intervention Program.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, the Texas Department of Criminal Justice shall allocate $1,250,000 in fiscal year 2004 and $1,250,000 in fiscal year 2005 for funding the Battering Intervention and Prevention Program (BIPP) in the manner required by Article 42.141 of the Code of Criminal Procedure. The BIPP funding shall be from the GR-Dedicated Compensation to Victims of Crime Account No. 469. The BIPP shall be administered using a statewide allocation of direct grants from TDCJ to local non-profit organizations in the manner described in Government Code § 509.011. Funds subject to this provision shall be allocated at the local level and designated for use only for these programs. Funds subject to this provision may not be utilized for administrative expenses of local community supervision and corrections departments nor may they be used to supplant local funding.

38. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004–05 biennium with the Texas Department of Criminal Justice at no less than the funding and performance levels maintained as of August 31, 2003.

39. **Aircraft Authorization.** The Texas Department of Criminal Justice (TDCJ) is authorized to own or lease, operate, and maintain one aircraft and to replace it if necessary. In the event that a temporary need arises, the TDCJ is authorized to expend funds for the lease or rental of aircraft on an as-needed basis.

40. **Expenditure Limitation - Windham School District.** None of the funds provided to the Windham School District through the Texas Education Agency shall be expended unless the Board of Criminal Justice has approved an annual operating budget for the school district prior to the expenditure of any funds. The Department of Criminal Justice shall file a copy of that operating budget of the Windham School District with the Governor, the Legislative Budget Board and the appropriate legislative oversight committees at the beginning of each fiscal year.

41. **Residential Status of Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

42. **Postsecondary Education Programs.** Postsecondary education courses shall be available only to inmates who have:

    a. demonstrated a clear and convincing record of rehabilitation while incarcerated, and

    b. demonstrated an interest in a field of study that lends itself to performing specific and beneficial tasks while incarcerated, and

    c. demonstrated the aptitude and capabilities to do college level study.

    The costs of such postsecondary education programs shall be reimbursed by the inmate as a condition of parole.

    The Department of Criminal Justice shall not provide in-cell tutoring for inmates who are in administrative segregation.

    The Department of Criminal Justice may not transfer appropriations out of Strategy C.2.2, Academic/Vocational Training.

43. **Appropriation: Education and Recreation Program Receipts.** All receipts collected from the operation of facility commissaries and all gifts and other income for inmate welfare accruing together with Education and Recreation Program account balances at the beginning of each year of the biennium beginning September 1, 2003 are hereby appropriated above in Strategy C.1.2, Institutional Goods/Services to the Department of Criminal Justice subject to the following provisions:

    a. all receipts collected shall be deposited in accordance with applicable statutes: (1) in the General Revenue Fund of the State Treasury; (2) in trust with the State Comptroller; or (3) in a local bank account on approval by the State Comptroller.

    b. salaries of personnel employed by the Education and Recreation Program shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.

    c. funds deposited in Education and Recreation Program accounts shall be expended only with the advance, written approval of the Board of Criminal Justice.

    d. it is the intent of the Legislature that Education and Recreation Program receipts be expended first for the construction, maintenance, equipment and operations of recreational facilities and for the income producing operations of the program. Any remaining balances may be expended for other programs benefiting the welfare of department confinees.

    Any Education and Recreation Program receipts collected in excess of $62,916,089 in fiscal year 2004 and $62,916,090 in fiscal year 2005 are hereby appropriated to the department subject to the above-cited provisions.

44. **Private Sector Prison Industries Oversight Authority.** Out of funds appropriated above in Strategy C.2.1, Texas Correctional Industries, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Private Sector Prison Industries Oversight Authority in accordance with Government Code § 497.055 and provisions of this Act related to the per diem of board or commission members.

45. **Appropriation: Sex Offender Notification Fees.** All fees collected from offenders for reimbursement to local law enforcement authorities for costs incurred in providing notice for publication to a newspaper in accordance with Government Code § 508.186, are appropriated above in Strategy E.2.1, Parole Supervision, for reimbursing local law enforcement authorities. Any fees collected in excess of $5,351 in fiscal year 2004 and $5,351 in fiscal year 2005 are hereby appropriated to the department for the same purpose.

46. **Appropriation: Parole Supervision Fees.** All parole supervision fees collected from offenders in accordance with Government Code § 508.182, are appropriated above in Strategy E.2.1, Parole Supervision. Any fees collected in excess of $8,985,000 in fiscal year 2004 and $10,108,000 in fiscal year 2005 are hereby appropriated to the department for parole supervision.

47. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Department of Criminal Justice may transfer appropriations in an amount not to exceed $150 million made for fiscal year 2005 to fiscal year 2004, subject to the following conditions provided by this section:

    a. transfers under this section may be made only:

        (1) if correctional populations exceed the capacity of the department, or

        (2) if Federal Funds for Incarcerated Aliens appropriated in fiscal year 2004 to the department are not received in the amount identified in the method of finance for that year, or

        (3) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.

    b. a transfer authorized by this section above must receive the prior approval of the Governor and the Legislative Budget Board.

    c. the Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

48. **Texas Correctional Industries Advisory Committee.** Out of funds appropriated above in Strategy C.2.1, Texas Correctional Industries, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Texas Correctional Industries Advisory Committee for duties performed in accordance with Government Code § 497.003 and subject to provisions of this Act related to the per diem of board or commission members.

49. **Managed Health Care - Reporting Requirements.** The Correctional Managed Health Care Committee is required to submit to the Legislative Budget Board and Governor a report detailing:

    a. correctional managed health care actual and projected expenditures for on-site, off-site and pharmaceutical costs;

b. health care cost for inmates over age 55 including utilization data;

c. other health care information determined by the Office of the Governor and the Legislative Budget Board; and

d. all monies held in reserve for Correctional Managed Health Care by the University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center.

Such reports shall be submitted on a quarterly basis.

50. **Managed Health Care Operational Shortfalls.** For the purpose of offsetting operational shortfalls occurring in correctional managed health care and out of funds appropriated above, the department shall transfer funds as necessary into Strategy C.1.4, Managed Health Care, for payment to the Correctional Managed Health Care Committee to address any managed health care operational shortfalls for fiscal years 2004–05, not to exceed $5 million for the biennium. If the department and committee do not agree on transfer amounts deemed necessary, supporting documentation shall be provided to the Governor and the Legislative Budget Board. The Governor and Legislative Budget Board shall then make the final decision.

51. **Computer Refurbishing Program.** The Texas Department of Criminal Justice shall develop and implement an inmate work program in which donated, second-hand computers are refurbished in prisons for use by public schools.

52. **Parole Transitional Support Program.** Out of funds appropriated above in Strategy A.1.1, Basic Supervision, TDCJ shall transfer $50,000 for each fiscal year of the 2004–05 biennium to Strategy E.2.1, Parole Supervision, to be used to support the Transitional Support Program. The TDCJ shall use these funds for the sole purpose of providing contracts for services with recognized non-profit organizations in order to facilitate parolees with their transition from incarceration to release on parole. The contracted services shall emphasize and promote family support and involvement in the transition and should establish the goal of reducing recidivism rates of the individuals who participate in the program.

53. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in the general provisions of this Act, the Texas Department of Criminal Justice is hereby authorized to expend funds appropriated to the Texas Department of Criminal Justice for the acquisition of capital budget items and unforeseen building maintenance as approved by the Texas Board of Criminal Justice.

54. **Recruitment and Retention of Staff.** TDCJ shall submit a biennial report on its recruitment and retention efforts to the Governor and the Legislative Budget Board not later than January 1, 2005. The report shall include information on vacancy rates, turnover rates, average years of service, and average number of continuing education training hours for security and nonsecurity staff.

55. **Inmate Phone System.** The Texas Board of Criminal Justice may institute a pilot program through which inmates in state jails will be permitted to make telephone calls at the discretion of employees of the state jails where the pilot program occurs. The board shall implement provisions to prohibit abuse by inmates. Such provisions will include, at minimum, the establishment and review of specific call lists, the prohibition of phone calls to individuals or phone numbers not on the approved list, and the inapplicability of such services as call forwarding or three-way calling.

The vendor shall pay the department not less than 50 percent of gross revenue received for such calls placed by inmates and the cost of such calls shall not exceed comparable rates for long distance service. All such payments received as a result of the trial shall be used for the benefit of crime victims, as provided in Article 56.54, Code of Criminal Procedure.

56. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Criminal Justice shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Criminal Justice shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for correctional officers.

57. **Texas Board of Criminal Justice.** It is the intent of the Legislature that the Texas Board of Criminal Justice hold its meetings in Austin, Texas unless there is an exceptional reason to meet in Huntsville, Texas.

58. **Ombudsman Activity.** It is the intent of the Legislature that the Ombudsman for the Texas Department of Criminal Justice (TDCJ) respond to all agency and legislatively referred complaints in a timely manner. The TDCJ shall develop performance measures, trend analysis, and a method of resolution for issues presented. The TDCJ shall provide summary reports regarding this activity to the Legislative Budget Board and the Governor on a quarterly basis.

59. **Correctional Officer Training.** Out of funds appropriated above, the Texas Department of Criminal Justice shall provide at least 284 hours of training for new correctional officers.

60. **Safe Prisons Program.** It is the intent of the Legislature that out of funds appropriated above the Texas Department of Criminal Justice (TDCJ) establish and maintain a Safe Prisons Program for the purpose of preventing and limiting the number of sexual assaults by inmates on inmates. Strategies to prevent sexual assaults that may be used in the Safe Prisons Program include, but are not limited to, use of protective custody; use of an inmate's assault history in making cell assignments; use of an inmate's likelihood of victimization in cell assignments; education of correctional officers on the importance of preventing sexual assault; education of new prisoners on the risks of sexual assault, including prosecution; and use of surveillance cameras. TDCJ shall report annually to the Legislative Budget Board and the Governor the number of sexual assaults by inmates on inmates and the actions taken on each assault. Additional reporting elements may be established by the Legislative Budget Board and the Governor. It is the intent of the Legislature that TDCJ designate a Safe Prisons Program coordinator who reports directly to the TDCJ Executive Director.

61. **Texas State Council for Interstate Adult Offender Supervision Authority.** Out of funds appropriated above, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Texas State Council for Interstate Adult Offender Supervision while conducting the business of the council in accordance with Government Code, Chapters 510 and 2110, and provisions of this Act related to the per diem of board or commission members.

62. **Appropriation: Unexpended Balances of Construction Bonds.** Any unexpended balances as of August 31, 2003, for the Texas Department of Criminal Justice (TDCJ) in the general obligation bond appropriations made by the Seventy-seventh Legislature and Seventy-eighth Legislature for construction appropriations are hereby appropriated to the TDCJ for the biennium beginning September 1, 2003, provided that such appropriated funds shall not be expended without approval of the Board of Criminal Justice and that copies of such approvals

shall be filed with the Governor and the Legislative Budget Board. Unexpended balances appropriated for the 2004–05 biennium may be used only for facilities repair and rehabilitation projects or the expansion of the Western Regional Medical Facility and shall not be used for the construction of additional facilities. (fiscal year 2003 unexpended balance estimated to be $71,900,000).

63. **Misdemeanor Funding.** The Texas Department of Criminal Justice shall distribute funds at a rate not to exceed $.70 per day for each misdemeanor defendant directly supervised by a community supervision and corrections department. Funding for each misdemeanor defendant may not exceed the period of time authorized by statute.

64. **Appropriation: Refunds of Unexpended Balances from CSCDs.** The Texas Department of Criminal Justice (TDCJ) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of this biennium by local community supervision and corrections departments (CSCDs). All fiscal years 2002-03 refunds received from CSCDs by TDCJ are appropriated above in Strategies A.1.1, Basic Supervision, A.1.2, Diversion Programs, A.1.3, Community Corrections, and C.2.4, Substance Abuse Treatment. Any Basic Supervision refunds received in excess of $5,600,000 in fiscal year 2004 are hereby appropriated to TDCJ for Basic Supervision. Any Diversion Programs refunds received in fiscal year 2004 are hereby appropriated to TDCJ for Diversion Programs. Any Community Corrections refunds received in fiscal year 2004 are hereby appropriated to TDCJ for Community Corrections. Any Substance Abuse Treatment refunds received in excess of $1,000,000 in fiscal year 2004 are hereby appropriated to TDCJ for the Treatment Alternative to Incarceration Program (estimated to be $0).

65. **Transportation - Substance Abuse.** The Department of Criminal Justice shall provide transportation for inmates who are released from Substance Abuse Felony Punishment Facilities (SAFPF) or In-Prison Therapeutic Community (IPTC) facilities and transferred to a residential setting.

66. **Treatment Alternative to Incarceration Program.** The Texas Department of Criminal Justice is directed to expend at least $6.5 million each year of the biennium on the Treatment Alternative to Incarceration Program as specified in Government Code § 76.017.

67. **Harris County Boot Camp.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, $6,500,000 in fiscal year 2004 and $6,500,000 in fiscal year 2005 in discretionary grants shall be made to the Harris County Community Supervision and Corrections Department for the continued operations of the Harris County Boot Camp.

68. **Chaplaincy Programs.** Out of funds appropriated above in Strategy C.2.3, Treatment Services, the Texas Department of Criminal Justice shall allocate $150,000 in fiscal year 2004 and $150,000 in fiscal year 2005 to fund the enhancement of Chaplaincy Programs.

69. **Continuity of Care.** Out of the funds appropriated above, the Texas Council on Offenders with Mental Impairments shall coordinate with the Texas Department of Mental Health and Mental Retardation, county and municipal jails, and community mental health and mental retardation centers on establishing methods for the continuity of care for pre- and post-release activities of defendants who are returned to the county of conviction after the defendant's competency has been restored. The Council shall coordinate in the same manner it performs continuity of care activities for offenders with special needs.

70. **Chaplaincy Program.** Out of funds appropriated above in Strategy C.2.3, Treatment Services, $4,988,996 in fiscal year 2004 and $4,988,995 in fiscal year 2005 shall be used to fund the Chaplaincy Program.

71. **Contract Review.** It is the intent of the Legislature that the Texas Department of Criminal Justice shall review its contracts with county jails and private vendors that provide contract services to the department for prison, parole, and state jail beds. The department shall determine whether contracts with counties and private vendors pay an appropriate rate to retain an adequate capacity of contract beds to ensure that the state will not face a shortage of prison capacity during the next biennium. The department shall first review the contracts which have the lowest rates and have not had rate increases for the longest period of time. If the department determines that rate increases are necessary, it may fund such increases out of funds appropriated.

72. **West Texas Disaster Recovery and Operations Center.** It is the intent of the Legislature that the Texas Department of Criminal Justice maintain its mainframe computer operations at the West Texas Disaster Recovery and Operations Center.

## CRIMINAL JUSTICE POLICY COUNCIL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** EFFECTIVE CRIMINAL JUSTICE SYSTEM<br>Develop means to promote a more effective and cohesive state criminal justice system. | | |
| **Outcome (Results/Impact):** | | |
| Programs Evaluated | 11 | 11 |
| Assessment Instruments Developed | 7 | 7 |
| **A.1.1. Strategy:** EVALUATIONS TO REDUCE RECIDIVISM<br>Evaluate the criminal justice programs and assist other agencies in the evaluation of programs directed at reducing recidivism. | $ 178,175 | $ 178,175 |
| **Output (Volume):** | | |
| Programs Designed | 14 | 14 |
| **A.2.1. Strategy:** PROJECTION DEVELOPMENT<br>Develop adult and juvenile correctional population projections and impact studies for use by public officials. | $ 822,713 | $ 822,713 |
| **A.2.2. Strategy:** JUVENILE JUSTICE STUDIES<br>Collect juvenile justice data to study and monitor juvenile sentencing patterns in the state to assist in the development and evaluation of policies, to determine the impact of reforms, and to develop effective delinquency prevention, diversionary or treatment programs. | $ 250,222 | $ 250,222 |
| **Total, Goal A:** EFFECTIVE CRIMINAL JUSTICE SYSTEM | $ 1,251,110 | $ 1,251,110 |
| **Grand Total,** CRIMINAL JUSTICE POLICY COUNCIL | $ 1,251,110 | $ 1,251,110 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 21.0 | 21.0 |

**Schedule of Exempt Positions:**

## CRIMINAL JUSTICE POLICY COUNCIL
(Continued)

| | | | | |
|---|---|---|---|---|
| Executive Director, Group 3 | | $98,000 | | $98,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,071,706 | $ | 1,071,906 |
| Other Personnel Costs | | 15,440 | | 17,160 |
| Professional Fees and Services | | 6,500 | | 6,500 |
| Consumable Supplies | | 9,000 | | 9,000 |
| Utilities | | 23,000 | | 23,000 |
| Travel | | 5,000 | | 5,000 |
| Rent - Machine and Other | | 4,800 | | 4,800 |
| Other Operating Expense | | 87,664 | | 78,744 |
| Capital Expenditures | | 28,000 | | 35,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,251,110 | $ | 1,251,110 |

1. **Parole Guidelines.** The Criminal Justice Policy Council, from funds appropriated above, shall assist the Board of Pardons and Paroles in the implementation, monitoring, and validation of parole guidelines. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2005.

2. **Enhanced Mental Health Services Initiative.** The Criminal Justice Policy Council, from funds appropriated above, shall monitor and evaluate the implementation of the Enhanced Mental Health Services Initiative by the Texas Juvenile Probation Commission, the Texas Department of Criminal Justice, the Texas Youth Commission, and the Texas Council on Offenders with Mental Impairments. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2005.

## COMMISSION ON FIRE PROTECTION

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** EDUCATION & ASSISTANCE<br>To assist local governments and other entities by providing materials for use in conducting research on fire protection issues and in developing training resources for fire protection personnel and to assist in providing fire fighting equipment and resources to local fire departments. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage Increase in the Number of Research Requests Made to the Fire Protection Information Resource Center | | 10% | | 10% |
| Percentage of Total Amount Requested for Loans/Grants Compared with Requests Awarded | | 24% | | 24% |
| **A.1.1. Strategy:** FIRE SAFETY INFO & EDUC PROGRAMS<br>Acquire, develop and maintain current and historical information on fire protection and provide training aids and fire protection information to fire departments and other entities. | $ | 140,976 | $ | 141,026 |

| | | | | |
|---|---|---|---|---|
| **A.2.1. Strategy:** ADMINISTER GRANT PROGRAM<br>Administer a grant/loan program to distribute resources to local fire departments. | $ | 1,000,000 | $ | 1,000,000 |
| **Total, Goal A:** EDUCATION & ASSISTANCE | $ | 1,140,976 | $ | 1,141,026 |
| **B. Goal:** FIRE DEPARTMENT STANDARDS<br>To enforce statutes and rules relating to standards for fire service personnel education, training facilities and protective equipment in order to protect the public and fire service personnel against loss of life and property resulting from fire and related hazards. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Inspected Fire Certificate Holders with No Recent Violations | | 95% | | 95% |
| **B.1.1. Strategy:** CERTIFY & REGULATE FIRE SERVICE<br>Certify and regulate fire departments and fire service personnel according to standards adopted by the agency and prescribed by statute. | $ | 1,083,117 | $ | 1,084,167 |
| **Explanatory:** | | | | |
| Number of Fire Service Personnel Certified | | 22,300 | | 22,300 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 588,435 | $ | 587,335 |
| **Grand Total,** COMMISSION ON FIRE PROTECTION | $ | 2,812,528 | $ | 2,812,528 |
| **Method of Financing:** | | | | |
| General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees | $ | 2,782,128 | $ | 2,782,128 |
| Appropriated Receipts | | 30,400 | | 30,400 |
| **Total, Method of Financing** | $ | 2,812,528 | $ | 2,812,528 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 32.0 | | 32.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $78,000 | | $78,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,344,232 | $ | 1,344,232 |
| Other Personnel Costs | | 17,590 | | 17,590 |
| Professional Fees and Services | | 25,000 | | 25,000 |
| Fuels and Lubricants | | 3,000 | | 3,000 |
| Consumable Supplies | | 11,299 | | 9,700 |
| Utilities | | 50,351 | | 50,351 |
| Travel | | 105,000 | | 105,000 |
| Rent - Building | | 112,500 | | 114,100 |
| Rent - Machine and Other | | 33,875 | | 33,875 |
| Other Operating Expense | | 93,111 | | 93,110 |
| Grants | | 1,000,000 | | 1,000,000 |
| Capital Expenditures | | 16,570 | | 16,570 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,812,528 | $ | 2,812,528 |

1. **Training Restriction.** None of the funds appropriated above may be expended for fire protection or fire management training except through contract with Texas Commission on Fire Protection approved training programs external to the commission in order to avoid duplication of service.

## COMMISSION ON FIRE PROTECTION
(Continued)

2. **Appropriation of Receipts—Loan Repayments Revolving Fund.** In addition to the amounts appropriated above, the Texas Commission on Fire Protection is hereby appropriated all loan repayments, loan forfeitures and other revenue accruing to the revolving loan fund in excess of $268,000 for fiscal year 2004 and in excess of $268,000 for fiscal year 2005 for the purpose of making additional loans as established in Government Code, Chapter 419, Subchapter C (estimated to be $0). The unexpended balance in Strategy A.2.1, Administer Grant Program, and of collections in excess of $268,000 in the revolving loan fund at the end of fiscal year 2004 is hereby appropriated for fiscal year 2005 for the same purpose.

3. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Fire Fighter, Curriculum and Testing, and Funds Allocation.

4. **Fire Department Inspections.** It is the intent of the Legislature that the Texas Commission on Fire Protection not provide prior notification of an inspection to a fire department.

5. **Co-location of Regional Offices.** It is the intent of the Legislature that the Texas Commission on Fire Protection and the Texas Forest Service enter into an agreement to co-locate regional offices to the maximum space available.

6. **Staffing of Regional Offices.** The Texas Commission on Fire Protection shall staff each regional office with at least one standards compliance officer from available staff.

## COMMISSION ON JAIL STANDARDS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EFFECTIVE JAIL STANDARDS<br>To establish reasonable minimum standards for the provision and operation of jails; monitor and enforce compliance with adopted standards; provide consultation, training, and technical assistance to local government for achieving and maintaining compliance with adopted standards; and perform state mandates affecting county jail incarceration. | | |
| **Outcome (Results/Impact):** | | |
| Number of Jails Achieving Compliance | 225 | 225 |
| Percent of Jails with Management-related Deficiencies | 13% | 15% |
| **A.1.1. Strategy:** INSPECTION AND ENFORCEMENT<br>Develop and implement a uniform process to inspect, monitor compliance and ensure due process in enforcement of standards for local jails. | $ 300,730 | $ 300,729 |
| **Output (Volume):** | | |
| Number of Annual Inspections Conducted | 254 | 254 |
| **A.1.2. Strategy:** JUVENILE JUSTICE SURVEY<br>Perform annual survey of local jail facilities to determine compliance with the Juvenile Justice and Delinquency Prevention Act. | $ 52,000 | $ 52,000 |
| **A.2.1. Strategy:** CONSTRUCTION PLAN REVIEW<br>Develop and implement a comprehensive facility needs analysis program and review and comment on construction documents for construction projects. | $ 210,523 | $ 210,523 |

## COMMISSION ON JAIL STANDARDS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of On-site Planning and Construction Consultations with Jail Representatives | | 140 | | 140 |
| **A.2.2. Strategy:** MANAGEMENT CONSULTATION | $ | 245,326 | $ | 245,326 |
| Review and approve jail operational plans, provide needed jail management training and consultation, and perform objective jail staffing analyses. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Operation and Management Consultations with Jail Representatives | | 260 | | 260 |
| **A.3.1. Strategy:** AUDITING POPULATION AND COSTS | $ | 84,932 | $ | 84,932 |
| Collect, analyze, and disseminate data concerning inmate population, felony backlog, and jail operational costs. | | | | |
| **Output (Volume):** | | | | |
| Number of Reports Audited | | 6,200 | | 6,200 |
| **Total, Goal A:** EFFECTIVE JAIL STANDARDS | $ | 893,511 | $ | 893,510 |
| **Grand Total,** COMMISSION ON JAIL STANDARDS | $ | 893,511 | $ | 893,510 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 835,511 | $ | 835,510 |
| Other Funds | | | | |
| Criminal Justice Grants | | 52,000 | | 52,000 |
| Appropriated Receipts | | 6,000 | | 6,000 |
| Subtotal, Other Funds | $ | 58,000 | $ | 58,000 |
| **Total, Method of Financing** | $ | 893,511 | $ | 893,510 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 19.0 | | 19.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $61,000 | | $61,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 759,708 | $ | 759,708 |
| Other Personnel Costs | | 61,984 | | 61,984 |
| Other Operating Expense | | 71,819 | | 71,818 |
| **Total, Object-of-Expense Informational Listing** | $ | 893,511 | $ | 893,510 |

1. **Mental Health Screening.**
   a. The Commission on Jail Standards shall use funds appropriated above to conduct an analysis of the process for determining the mental health status of inmates in county jails in coordination with the Texas Council on Offenders with Mental Impairments.

   b. This analysis shall include reviews of screening methods for determining mental health status, referral procedures for diagnostics and treatment, and level of coordination with the public mental health system on identification and treatment activities.

   c. The Commission shall report the findings of this analysis to the 79th Legislature by January 1, 2005.

## JUVENILE PROBATION COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LOCAL JUVENILE JUSTICE<br>To ensure public safety, offender accountability and the rehabilitation of juvenile offenders through a comprehensive, coordinated, community-based juvenile justice system by providing funding, technical assistance and training in partnership with juvenile boards and probation departments. | | |
| **Outcome (Results/Impact):** | | |
| Rate of Successful Completion of Deferred Prosecution Cases | 85% | 85% |
| Rate of Successful Completion of Court-ordered Probation | 85% | 85% |
| Number of New Commitments to Texas Youth Commission | 2,829 | 2,909 |
| **A.1.1. Strategy:** BASIC PROBATION<br>Provide funding to juvenile probation departments for the provision of basic juvenile probation services, including delinquency prevention, deferred prosecution, and court ordered probation. | $ 46,258,679 | $ 46,258,679 |
| **Output (Volume):** | | |
| Average Daily Population of Youth Supervised under Court-ordered Probation | 32,686 | 33,637 |
| Average Daily Population of Youth Supervised under Intensive Supervision Probation | 3,900 | 3,900 |
| **Efficiencies:** | | |
| Average State Cost Per Juvenile Referred | 373.06 | 362.51 |
| Cost Per Day for Youth Served on Intensive Supervision Probation | 14.6 | 14.6 |
| **Explanatory:** | | |
| Total Number of Referrals | 123,999 | 127,607 |
| **A.2.1. Strategy:** COMMUNITY CORRECTIONS<br>Provide funding to juvenile boards and departments for diversion of juveniles from commitment to the Texas Youth Commission and meet legislatively mandated performance measures for intensive residential and nonresidential diversionary services. | $ 44,447,748 | $ 44,447,750 |
| **Output (Volume):** | | |
| Average Daily Population of Residential Placements | 2,467 | 2,467 |
| **Efficiencies:** | | |
| Cost Per Day Per Youth for Residential Placement | 85 | 85 |
| **A.2.2. Strategy:** PROBATION ASSISTANCE<br>Provide training and technical assistance to juvenile boards and probation departments, including case management, program planning and delinquency prevention; and monitor probation departments and both county and private detention and post adjudication centers for compliance with Texas Juvenile Probation Commission standards and applicable federal regulations. | $ 32,140,478 | $ 32,141,018 |
| **Efficiencies:** | | |
| State Cost Per Training Hour | 6.15 | 6.2 |
| **A.2.3. Strategy:** JUVENILE JUSTICE ALTERNATIVE ED PGM<br>Provide funding for juvenile justice alternative education programs. | $ 7,500,000 | $ 7,500,000 |
| **Output (Volume):** | | |
| Number of Mandatory Students in Juvenile Justice Alternative Education Programs | 1,338 | 1,378 |
| **Total, Goal A:** LOCAL JUVENILE JUSTICE | $ 130,346,905 | $ 130,347,447 |
| **B. Goal:** DIRECT AND INDIRECT ADMINISTRATION | | |

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** DIRECT AND INDIRECT ADMINISTRATION | $ | 1,107,031 | $ | 1,107,035 |
| **Grand Total,** JUVENILE PROBATION COMMISSION | $ | 131,453,936 | $ | 131,454,482 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 92,953,936 | $ | 92,954,482 |
| Federal Funds | | 30,000,000 | | 30,000,000 |
| Other Funds | | | | |
| Appropriated Receipts | | 1,000,000 | | 1,000,000 |
| Interagency Contracts - Transfer from Foundation School Fund No. 193 | | 7,500,000 | | 7,500,000 |
| Subtotal, Other Funds | $ | 8,500,000 | $ | 8,500,000 |
| **Total, Method of Financing** | $ | 131,453,936 | $ | 131,454,482 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 62.0 | | 62.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $90,000 | | $90,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,802,305 | $ | 2,855,177 |
| Other Personnel Costs | | 117,000 | | 118,000 |
| Operating Costs | | 634,830 | | 635,569 |
| Grants | | 127,762,175 | | 127,787,078 |
| Capital Expenditures | | 137,626 | | 58,658 |
| **Total, Object-of-Expense Informational Listing** | $ | 131,453,936 | $ | 131,454,482 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Microcomputer Technology Upgrade | $ | 137,626 | $ | 58,658 |
| Total, Capital Budget | $ | 137,626 | $ | 58,658 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 122,487 | $ | 52,206 |
| Federal Funds | | 15,139 | | 6,452 |
| Total, Method of Financing | $ | 137,626 | $ | 58,658 |

2. **Restriction, State Aid.** None of the funds appropriated above in Strategy A.1.1, Basic Probation, and allocated to local juvenile probation boards, shall be expended for salaries or expenses of juvenile board members.

3. **Appropriation of Federal Title IV-E Receipts.** The provisions of Title IV-E of the Social Security Act shall be used in order to increase funds available for juvenile justice services. The Texas Juvenile Probation Commission shall certify or transfer state funds to the Texas Department of Protective and Regulatory Services so that federal financial participation can be claimed for Title IV-E services provided by counties. The Texas Juvenile Probation Commission shall direct necessary general revenue funding to ensure that the federal match for the Title IV-E Social Security Act is maximized for use by participating counties. Such federal receipts are appropriated to the Texas Juvenile Probation Commission for the purpose of reimbursing counties for services provided to eligible children.

4. **Juvenile Boot Camp Funding.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of $1,000,000 annually may be expended only for the purpose of providing a juvenile boot camp in Harris County.

5. **Residential Facilities.** Juvenile Boards may use funds appropriated in Strategy A.1.1, Basic Probation, and Strategy A.2.1, Community Corrections, to lease, contract for, or reserve bed space with public and private residential facilities for the purpose of diverting juveniles from commitment to the Texas Youth Commission.

6. **Funding for Progressive Sanctions.**

   a. Out of the funds appropriated above in Strategy A.1.1, Basic Probation, $10,200,000 in fiscal year 2004 and $10,200,000 in fiscal year 2005 can be distributed only to local probation departments for funding juvenile probation services associated with sanction levels described in §§ 59.003(a)(1), 59.003(a)(2), and 59.003(a)(3) of the Family Code, or for salaries of juvenile probation officers hired after the effective date of this Act. These funds may not be used by local juvenile probation departments for salary increases, employee benefits, or other costs (except salaries) associated with the employment of juvenile probation officers hired after the effective date of this Act.

   b. Out of the funds appropriated above in Strategy A.2.1, Community Corrections, $4,394,436 in fiscal year 2004 and $4,394,436 in fiscal year 2005 can be used only for the purpose of funding secure post-adjudication placements for (1) juveniles who have a progressive sanction guideline level of 5 or higher as described by §§ 59.003(a)(5), 59.003(a)(6), and 59.003(a)(7); (2) are adjudicated for a felony offense that includes as an element of the offense the possession, carrying, using or exhibiting of a deadly weapon; (3) the juvenile court's order of adjudication contains a finding that the child committed a felony offense and the child used or exhibited a deadly weapon during the commission of the conduct or during immediate flight from commission of the conduct; or (4) are adjudicated for a sex offense of the grade of felony that requires registration under the Texas Sexual Offender Registration Program.

      The Texas Juvenile Probation Commission shall reimburse a county juvenile probation department a specified number of placements under this section, as determined by the Texas Juvenile Probation Commission, after the requirements for reimbursement as outlined herein have been met to the satisfaction of the Texas Juvenile Probation Commission.

   c. The Texas Juvenile Probation Commission shall maintain procedures to ensure that only those juvenile offenders identified above are submitted for reimbursement of secure post-adjudication placements under this section. The Texas Juvenile Probation Commission shall no later than March 1 of each fiscal year submit an expenditure report for the prior fiscal year reflecting all secure post-adjudication placement costs to the Legislative Budget Board and the Governor.

7. **County Funding Levels.** To receive the full amount of state aid funds for which a juvenile board may be eligible, a juvenile board must demonstrate to the commission's satisfaction that the amount of local or county funds budgeted for juvenile services is at least equal to the amount spent for those services, excluding construction and capital outlay expenses, in the 1994 county fiscal year. This requirement shall not be waived by the commission unless the juvenile board demonstrates to the satisfaction of the commission that unusual, catastrophic or exceptional circumstances existed during the year in question to adversely affect the level of county fiscal effort. If the required local funding level is not met and no waiver is granted by the commission, the commission shall reduce the allocation of state aid funds to the juvenile board by the amount equal to the amount that the county funding is below the required funding.

8. **Local Post-adjudication Facilities.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of $4,147,037 in fiscal year 2004 and $4,147,038 in fiscal year 2005 may be used only for the purpose of funding local post-adjudication facilities. The agency shall fund these facilities based on historical occupancy rates, rather than the number of beds in the facility.

9. **Juvenile Justice Alternative Education Programs (JJAEP).** Out of the funds transferred to the Texas Juvenile Probation Commission pursuant to Texas Education Agency (TEA) Rider 38 and appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, the Texas Juvenile Probation Commission shall allocate $1,500,000 at the beginning of each fiscal year to be distributed on the basis of juvenile age population among the mandated counties identified in Chapter 37, Texas Education Code, and those counties with populations between 72,000 and 125,000 which choose to participate under the requirements of Chapter 37.

   An additional $500,000 shall be set aside in a reserve fund for each year of the biennium to allow mandated and non-mandated counties to apply for additional funds on a grant basis.

   The remaining funds shall be allocated for distribution to the counties mandated by the § 37.011(a) Texas Education Code, at the rate of $59 per student per day of attendance in the JJAEP for students who are required to be expelled as provided under § 37.007, Texas Education Code, and are intended to cover the full cost of providing education services to such students. Counties are not eligible to receive these funds until the funds initially allocated at the beginning of each fiscal year have been expended at the rate of $59 per student per day of attendance. Counties in which populations exceed 72,000, but are 125,000 or less, may participate in the JJAEP, and are eligible for state reimbursement at the rate of $59 per student per day.

   The Texas Juvenile Probation Commission may expend any remaining funds for summer school programs in counties with a population over 72,000 which are funded as mandated counties in Chapter 37. Funds may be used for any student assigned to a JJAEP. Summer school expenditures may not exceed $3.0 million in any year.

   Unspent balances in fiscal year 2004 shall be appropriated to fiscal year 2005 for the same purposes in Strategy A.2.3.

   The allocations made in this rider for the JJAEP are estimated amounts and not intended to be an entitlement and are limited to the amounts transferred from the Foundation School Program pursuant to TEA Rider 38. The amount of $59 per student per day may vary depending on the total number of students actually attending the JJAEPs.

   The Texas Juvenile Probation Commission may reduce, suspend, or withhold Juvenile Justice Alternative Education Program funds to counties that do not comply with standards, accountability measures, or Texas Education Code Chapter 37.

10. **Funding for Additional Eligible Students in JJAEPs.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, a maximum of $500,000 in each year (for a maximum of 90 attendance days per child), is allocated for counties with a population of at least 72,000 which operate a JJAEP under the standards of Chapter 37, Texas Education Code. The county is eligible to receive funding from the Texas Juvenile Probation Commission at the rate of $59 per day per student for students who are required to be expelled under § 37.007, Texas Education Code, and who are expelled from a school district in a county that does not operate a JJAEP.

11. **Use of JJAEP Funds.** None of the funds appropriated above for the support of JJAEPs shall be used to hire a person or entity to do lobbying.

12. **JJAEP Accountability.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs (JJAEP), the Texas Juvenile Probation Commission and the Texas Education Agency shall ensure that Juvenile Justice Alternative Education Programs are held accountable for student academic and behavioral success. The agencies are to jointly submit a performance assessment report to the Legislative Budget Board and the Governor by May 1, 2004. The report shall include, but is not limited to, the following:

    a. an assessment of the degree to which each JJAEP enhanced the academic performance and behavioral improvement of attending students;

    b. a detailed discussion on the use of standard measures used to compare program formats and to identify those JJAEPs most successful with attending students;

    c. the percent of eligible JJAEP students statewide and by program demonstrating academic growth in the Texas Assessment of Knowledge and Skills (TAKS);

    d. standardized cost reports from each JJAEP and their contracting independent school district(s) to determine differing cost factors and actual costs per each JJAEP program by school year; and

    e. inclusion of a comprehensive five-year strategic plan for the continuing evaluation of JJAEPs which shall include oversight guidelines to improve: school district compliance with minimum program and accountability standards, attendance reporting, consistent collection of costs and program data, training and technical assistance needs.

13. **Training.** It is the intent of the Legislature that the Texas Juvenile Probation Commission provide training to local juvenile probation personnel and to local Juvenile Judges to maximize the appropriate placement of juveniles according to the progressive sanction guidelines.

14. **Unexpended Balances - Hold Harmless Provision.** Any unexpended balances as of August 31, 2004 in Strategy A.1.1, Basic Probation (estimated to be $200,000), and in Strategy A.2.1, Community Corrections (estimated to be $200,000), above are hereby appropriated to the Juvenile Probation Commission in fiscal year 2005 for the purpose of providing Hold Harmless funding for juvenile probation departments whose allocation would otherwise be reduced as a result of reallocations related to population shifts.

15. **Appropriation: Refunds of Unexpended Balances from Local Juvenile Probation Departments.** The Texas Juvenile Probation Commission (JPC) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of each fiscal year by local juvenile probation departments. All fiscal year 2004 and fiscal year 2005 refunds received from local juvenile probation departments by JPC are appropriated above in Strategies A.1.1, Basic Probation and A.2.1, Community Corrections. Any Basic Probation refunds received in excess of $470,000 in fiscal year 2004 and $470,000

in fiscal year 2005 are hereby appropriated to JPC for Basic Probation. Any Community Corrections refunds received in excess of $530,000 in fiscal year 2004 and $530,000 in fiscal year 2005 are hereby appropriated to JPC for Community Corrections.

## COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSE AND APPROVE COURSES | | |
| To create new incentives and opportunities for law enforcement career oriented individuals to grow in their professional competency. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99.9% | 99.9% |
| **A.1.1. Strategy:** LICENSING | $ 754,368 | $ 788,050 |
| Issue licenses and certificates to individuals who demonstrate required competencies. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 12,000 | 11,500 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 14.5 | 14.5 |
| **A.1.2. Strategy:** COURSE DEVELOPMENT | $ 540,295 | $ 509,699 |
| Manage development, delivery and quality of law enforcement training and education. | | |
| **Output (Volume):** | | |
| Number of On-site Academy Evaluations Conducted | 94 | 96 |
| **Total, Goal A:** LICENSE AND APPROVE COURSES | $ 1,294,663 | $ 1,297,749 |
| **B. Goal:** REGULATION | | |
| To develop and implement programs designed to contribute to the reduction of per capita incidence of officer misconduct. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resulting in Disciplinary Action | 37% | 37% |
| **B.1.1. Strategy:** ENFORCEMENT | $ 857,478 | $ 862,451 |
| Revoke licenses, suspend licenses, or reprimand licensees for violation of statutes or TCLEOSE rules. | | |
| **Output (Volume):** | | |
| Complaints Resolved | 2,140 | 600 |
| **Efficiencies:** | | |
| Average Cost Per Complaint Resolved | 40 | 40 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 558,540 | $ 551,392 |
| **Grand Total,** COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION | $ 2,710,681 | $ 2,711,592 |

## COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund - Dedicated | | | | |
| Law Enforcement Officer Standards and Education Account No. 116 | $ | 2,602,681 | $ | 2,603,592 |
| Peace Officers' Memorial Fund Account No. 337 | | 20,000 | | 20,000 |
| Texas Peace Officer Flag Account No. 5059 | | 6,000 | | 6,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,628,681 | $ | 2,629,592 |
| Appropriated Receipts | | 82,000 | | 82,000 |
| **Total, Method of Financing** | $ | 2,710,681 | $ | 2,711,592 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 44.0 | | 44.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $76,000 | | $76,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,467,211 | $ | 1,480,106 |
| Other Personnel Costs | | 52,018 | | 50,740 |
| Operating Costs | | 62,200 | | 62,200 |
| Professional Fees and Services | | 77,677 | | 67,209 |
| Consumable Supplies | | 67,314 | | 66,677 |
| Utilities | | 60,458 | | 60,471 |
| Travel | | 106,618 | | 110,925 |
| Rent - Building | | 175,275 | | 178,468 |
| Rent - Machine and Other | | 3,501 | | 3,585 |
| Other Operating Expense | | 172,437 | | 184,497 |
| Grants | | 20,000 | | 20,000 |
| Capital Expenditures | | 445,972 | | 426,714 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,710,681 | $ | 2,711,592 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the GR Dedicated - Law Enforcement Officer Standards and Education Account No. 116: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Cycled Replacement/Upgrade of Computers and Servers | $ | 63,986 | $ | 53,714 |
| (2) Distance Learning Program | | 318,000 | | 318,000 |
| Total, Acquisition of Information Resource Technologies | $ | 381,986 | $ | 371,714 |

| | | |
|---|---|---|
| b. Acquisition of Capital Equipment and Items | | |
| (1) Acquisition of Agency Copiers | 0 | 27,500 |
| Total, Capital Budget | $ 381,986 | $ 399,214 |

2. **Appropriation: Peace Officers' Memorial Fund.** Appropriations above in Strategy C.1.1, Indirect Administration, include $20,000 in fiscal year 2004 and $20,000 in fiscal year 2005 in contributions and earned interest for the Peace Officers' Memorial during the 2004–05 biennium and from any balances on hand as of August 31, 2003, for the purposes of funding and maintaining a Texas Peace Officers' Memorial on the grounds of the Capitol Complex in honor of those Texas peace officers who have died in the line of duty as provided by Title 37, TAC § 229.1. All contributions and earned interest, in excess of such amounts appropriated above, are hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be $0). These appropriations are to be deposited in the state treasury to the credit of GR–Dedicated Account No. 337 for the Peace Officers' Memorial. None of these appropriations shall be used by the commission for administration and support costs related to the Peace Officers' Memorial.

3. **Appropriation of Receipts – Proficiency Certificate Fees.** Appropriations above in Strategy A.1.1, Licensing, include $120,515 in fiscal year 2004 and $120,515 in fiscal year 2005 for revenues collected in the Law Enforcement Officer Standards and Education GR–Dedicated Account No. 116 for the processing of proficiency certificates pursuant to Occupations Code § 1701.154. All revenue collected, in excess of such amounts appropriated above, is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be $0).

4. **Appropriation of Receipts – Reinstatement Fees.** Appropriations above in Strategy A.1.1, Licensing, include $62,000 in fiscal year 2004 and $62,000 in fiscal year 2005 for fees collected in the Law Enforcement Officer Standards and Education GR–Dedicated Account No. 116 for establishing a person's eligibility to reinstate a license that has lapsed. All fee revenue collected, in excess of such amounts appropriated above, is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education (estimated to be $0).

5. **Appropriation: State Flag Fund for Deceased Texas Peace Officers.** Appropriations above in Strategy A.1.2, Course Development, include $6,000 in fiscal year 2004 and $6,000 in fiscal year 2005 for the Peace Officer State Flag Fund as provided by § 1701.161, Occupations Code and § 615.105, Government Code. All contributions and earned interest collected during the 2004–05 biennium, in excess of such amounts appropriated above, are hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education. These appropriations are to be deposited in the state treasury to the credit of GR–Dedicated Account No. 5059 for the Peace Officer State Flag Fund. These appropriations may be used for all purposes provided in § 1701.161, Occupations Code and § 615.105, Government Code, related to the provision of State Flags to families of deceased Texas Peace Officers (estimated to be $0).

6. **Distance Learning Program.** It is the intent of the Legislature that the Texas Commission on Law Enforcement Officer Standards and Education continue to maintain, update, and upgrade its internet training system, the Distance Learning Program, out of the funds appropriated above.

# TEXAS MILITARY FACILITIES COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** MAINTAIN PROPERTIES<br>Maintain and preserve all properties in a state of good repair by conducting periodic surveys and reviews, determining maintenance priorities, and performing cost-effective maintenance using established procedures. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Needed Routine or Preventive Maintenance Completed | 58% | 58% |
| **A.1.1. Strategy:** BUILDING MAINTENANCE<br>Repair, maintain and supply facilities. Use a survey and review process to evaluate facilities condition and repairs made. | $ 7,119,497 | $ 6,435,705 |
| **Explanatory:** | | |
| Number of Facilities Maintained | 319 | 329 |
| **A.1.2. Strategy:** DEBT SERVICE<br>Receive sufficient rental/lease monies for facilities to pay the bond principal, interest, insurance, and administrative fees for the current fiscal year. | $ 3,153,031 | $ 3,704,358 |
| **Total, Goal A:** MAINTAIN PROPERTIES | $ 10,272,528 | $ 10,140,063 |
| **B. Goal:** CONSTRUCT AND RENOVATE FACILITIES<br>Construct and renovate facilities that will be modern, functional, and durable. As funds are made available, continue to upgrade facilities to achieve energy efficiency, safety, environmental, and accessibility standards. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Facilities That Comply with Texas Accessibility Standards | 12% | 20% |
| **B.1.1. Strategy:** BUILDING CONSTRUCTION/RENOVATION<br>New facility construction and renovation of older facilities. | $ 5,839,340 | $ 4,442,990 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 433,747 | $ 432,167 |
| **Grand Total,** TEXAS MILITARY FACILITIES COMMISSION | $ 16,545,615 | $ 15,015,220 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 2,043,957 | $ 1,093,823 |
| Federal Funds | 586,986 | 4,793,268 |
| Other Funds | | |
| Current Fund Balance | 848,197 | 872,899 |
| Interagency Contracts | 3,670,388 | 4,097,295 |
| Bond Proceeds - Revenue Bonds | 9,396,087 | 4,157,935 |
| Subtotal, Other Funds | $ 13,914,672 | $ 9,128,129 |
| **Total, Method of Financing** | $ 16,545,615 | $ 15,015,220 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 40.0 | 40.0 |

## TEXAS MILITARY FACILITIES COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $57,000 | | $57,000 |
| Per Diem of Board Members | | 4,860 | | 4,860 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,390,419 | $ | 1,390,419 |
| Other Personnel Costs | | 33,580 | | 36,580 |
| Professional Fees and Services | | 875,861 | | 1,225,327 |
| Fuels and Lubricants | | 43,227 | | 43,268 |
| Consumable Supplies | | 34,300 | | 34,350 |
| Utilities | | 32,525 | | 32,625 |
| Travel | | 179,052 | | 176,922 |
| Rent - Machine and Other | | 334,320 | | 334,320 |
| Debt Service | | 2,852,298 | | 3,321,755 |
| Other Operating Expense | | 859,581 | | 978,005 |
| Capital Expenditures | | 9,910,452 | | 7,441,649 |
| **Total, Object-of-Expense Informational Listing** | $ | 16,545,615 | $ | 15,015,220 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Construction of Buildings and Facilities | $ | 5,560,000 | $ | 4,200,000 |
| b. Repair or Rehabilitation of Buildings and Facilities | | | | |
| (1) Roof Replacements/Major Maintenance | | 4,866,702 | | 4,296,091 |
| c. Transportation Items | | 29,894 | | 31,090 |
| d. Acquisition of Capital Equipment and Items | | 231,217 | | 82,795 |
| Total, Capital Budget | $ | 10,687,813 | $ | 8,609,976 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 1,069,102 | $ | 113,885 |
| Federal Funds | | 0 | | 4,200,000 |
| Other Funds | | | | |
| Interagency Contracts | | 329,056 | | 210,920 |
| Bond Proceeds - Revenue Bonds | | 9,289,655 | | 4,085,171 |
| Subtotal, Other Funds | $ | 9,618,711 | $ | 4,296,091 |
| Total, Method of Financing | $ | 10,687,813 | $ | 8,609,976 |

2. **Appropriation of Refunded Money.** There is hereby appropriated to the Texas Military Facilities Commission all money refunded to said commission from any source when such money was originally expended for any of the purposes in A.1.1, Building Maintenance and B.1.1, Building Construction/Renovation, above. Such appropriated funds may be expended for any of the purposes enumerated in A.1.1. and B.1.1. above.

3. **Local Fund Authorization.** The Texas Military Facilities Commission is hereby authorized to spend, and there is hereby made available to it, any or all local funds which the Commission now has or which it may hereinafter acquire, in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

4. **Bond Indenture Revenues.** There is hereby appropriated to the Texas Military Facilities Commission all revenues that the Commission has pledged, assigned and set over and does pledge, assign and set over unto its trustee and its successors in trust, and all revenues it has received or may hereinafter receive in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

5. **Superseding of Statutes and Bond Covenants.** None of the appropriations or provisions herein shall supersede Government Code, Chapter 435, or the covenants under which bonds are issued by or on behalf of the Texas Military Facilities Commission, regarding the Commission's obligations as a public bonding authority, body politic and corporate.

6. **Disposition of State-owned Property.** Appropriations above include $350,000 in fiscal year 2004 and $380,000 in fiscal year 2005 from the Current Fund Balance to the Texas Military Facilities Commission in funds derived from sales, in previous biennia and in the current biennium, of State-owned National Guard camps and other property owned by the Commission and of land, improvements, buildings, facilities, installations and personal property in connection therewith as authorized by Government Code, Chapter 435. Such funds shall be expended by the Commission in one or more of the following ways: (1) as a participating fund in the construction and maintenance of facilities financed in part by the United States Government; or (2) as a construction fund to be used by the Texas Military Facilities Commission; or (3) as a debt-servicing fund as provided in Government Code, Chapter 435. Provided, however, that all such funds that are not actually used for the purposes hereinbefore specified shall remain on deposit in the state treasury to the credit of the Commission for the use and benefit of the Texas National Guard, their successors or components, as provided in Government Code, Chapter 435. The Texas Military Facilities Commission is hereby authorized to carry forward unexpended balances from fiscal year 2004 into fiscal year 2005 for the same purpose.

7. **Transferability.** The Texas Military Facilities Commission is hereby authorized to transfer such amounts as may be necessary between strategies A.1.1, Building Maintenance, and B.1.1, Building Construction/Renovation. Such transfers shall not be used to increase the bond indebtedness of the Commission.

8. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Texas Military Facilities Commission for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance of units of the Texas State Guard replacing the Texas National Guard units inducted into federal service.

9. **Master Plan for Military Facilities.** Funds appropriated to the Texas Military Facilities Commission for capital construction projects are intended to be expended for those projects which are part of the Commission's Master Plan. The Adjutant General and his staff shall cooperate with and provide information to the Commission in updating the Master Plan. The

Commission shall revise the plan at least biennially and submit the plan to the Legislative Budget Board and the Governor by July 1 of every even-numbered year as part of the Legislative Appropriations Request.

10. **Renovation Priorities.** The Texas Military Facilities Commission shall give priority to renovations which: (1) insure the structural integrity of the facilities; (2) bring such facilities into compliance with current building and safety codes and accessibility standards; (3) increase the economic efficiency of the facilities; and (4) simplify future maintenance of the facilities.

11. **Reallocation of Unexpended Bond Proceeds.** The Texas Military Facilities Commission is authorized to reallocate the unexpended bond proceeds of canceled projects to other projects listed in its current Master Plan after notifying the Texas Public Finance Authority, the Texas Bond Review Board, the Governor, and the Legislative Budget Board. Any unexpended bond proceeds from prior fiscal years are appropriated to subsequent fiscal years.

12. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.

13. **Projects Funded with Bond Proceeds.** In addition to the number of FTEs authorized in the Commission's bill pattern above, the Texas Military Facilities Commission is authorized to employ one additional person for the purpose of managing any project(s) that are funded 100% with bond proceeds. The Commission is authorized to employ the additional person only for the duration of the project(s) the personnel are hired to manage. All salaries, benefits, and other expenses incurred (including a fair allocation of agency indirect expenses related to the additional personnel) are to be paid out of the bond proceeds.

14. **Construction of a New Armory in Midland-Odessa.** Out of funds appropriated above in Strategy B.1.1, Building Construction/Renovation, $5,560,000 shall be used for the construction of a new armory in Midland-Odessa.

# DEPARTMENT OF PUBLIC SAFETY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROMOTE TRAFFIC SAFETY | | |
| To promote traffic safety, the preservation of the peace, and the detection and prevention of crime. | | |
| **Outcome (Results/Impact):** | | |
| Annual Texas Rural Traffic Death Rate | 2.8 | 2.8 |
| **A.1.1. Strategy:** HIGHWAY PATROL | $ 111,557,535 | $ 110,358,381 |
| Supervision of traffic and general law enforcement on rural highways by uniformed officers. | | |
| **Output (Volume):** | | |
| Traffic Law Violator Contacts | 2,430,453 | 2,430,453 |
| **A.1.2. Strategy:** COMMERCIAL TRAFFIC PATROL | $ 27,122,342 | $ 27,008,917 |
| Supervision of commercial traffic and general law enforcement on rural highways by uniformed officers. | | |
| **Output (Volume):** | | |
| Commercial Traffic Law Violator Contacts | 1,468,236 | 1,505,691 |
| **A.1.3. Strategy:** DRIVER LICENSE & RECORDS | $ 59,085,316 | $ 59,055,095 |
| Ensure the competency of Texas drivers through testing of new drivers, determining the eligibility of renewal applicants, and through the improvement or delicensing of problem drivers. | | |
| **Output (Volume):** | | |
| Number of Examinations Administered | 6,300,000 | 6,300,000 |
| **A.1.4. Strategy:** BREATH AND BLOOD TESTING | $ 2,036,246 | $ 2,036,246 |
| Operate a scientific breath alcohol and blood testing program statewide. Supervise and maintain the program, train operators, and testify to its validity in court. | | |
| **Output (Volume):** | | |
| Number of Breath Alcohol Tests Supervised | 46,600 | 46,600 |
| **A.1.5. Strategy:** VEHICLE INSPECTION | $ 18,172,118 | $ 18,173,401 |
| Administer the state's vehicle inspection and emissions program. | | |
| **A.1.6. Strategy:** TRAFFIC ACCIDENT RECORDS | $ 2,519,077 | $ 2,519,077 |
| Manage the traffic accident records system and measure the effectiveness of safety programs. | | |
| **Output (Volume):** | | |
| Number of Accident Reports Processed | 600,000 | 600,000 |
| **A.1.7. Strategy:** EDUCATION AND TRAINING | $ 5,668,414 | $ 5,647,657 |
| Provide appropriate alcohol, drug, traffic safety, and crime prevention educational programs for the citizens of Texas and provide operational and technical training for law enforcement, emergency management, and support personnel in the state. | | |
| **Output (Volume):** | | |
| Number of Alcohol, Drug, Traffic Safety, and Crime Prevention Programs Conducted | 15,100 | 15,100 |
| **Total, Goal A:** PROMOTE TRAFFIC SAFETY | $ 226,161,048 | $ 224,798,774 |
| **B. Goal:** PREVENT AND DETECT CRIME | | |
| To promote the preservation of the peace and the prevention and detection of crime. | | |
| **Outcome (Results/Impact):** | | |
| Annual Texas Index Crime Rate | 5,257 | 5,257 |
| **B.1.1. Strategy:** NARCOTICS ENFORCEMENT | $ 30,085,476 | $ 30,070,412 |

| | | | | |
|---|---|---|---|---|
| Direct enforcement efforts against illegal drug trafficking, supervise controlled substance registration, and administer other facets of the narcotics enforcement program. | | | | |
| **Output (Volume):** | | | | |
| Number of Arrests for Narcotics Violations | | 2,797 | | 2,797 |
| **B.1.2. Strategy:** VEHICLE THEFT ENFORCEMENT | $ | 9,026,213 | $ | 8,992,968 |
| Investigate and arrest persons engaged in the theft of motor vehicles, boats, aircraft, construction equipment, and farm equipment, and recover located property. | | | | |
| **Output (Volume):** | | | | |
| Number of Arrests for Motor Vehicle Theft | | 1,063 | | 1,073 |
| **B.1.3. Strategy:** SPECIAL CRIMES | $ | 11,701,896 | $ | 11,442,784 |
| Investigate persons engaged in organized criminal activity, arrest fugitives, locate missing persons, monitor pari-mutual racing, and administer other facets of the special crimes enforcement program. | | | | |
| **Output (Volume):** | | | | |
| Number of Special Crimes Arrests | | 1,000 | | 1,000 |
| **B.1.4. Strategy:** TEXAS RANGERS | $ | 9,211,697 | $ | 9,145,528 |
| Investigate felony offenses and assist federal, state and local law enforcement agencies. | | | | |
| **Output (Volume):** | | | | |
| Number of Arrests | | 1,450 | | 1,450 |
| **B.1.5. Strategy:** CAPITOL SECURITY | $ | 12,122,380 | $ | 12,237,380 |
| Provide appropriate security for public officials and property. | | | | |
| **B.1.6. Strategy:** TECHNICAL ASSISTANCE | $ | 9,918,077 | $ | 9,923,099 |
| Provide high quality and timely technical assistance programs to requesting criminal justice agencies. | | | | |
| **Output (Volume):** | | | | |
| Number of Drug Cases Examined | | 38,000 | | 38,000 |
| **B.1.7. Strategy:** OPERATIONAL ASSISTANCE | $ | 19,035,230 | $ | 19,025,409 |
| Provide high quality and timely operational assistance programs to requesting criminal justice and other authorized agencies and entities. | | | | |
| **Output (Volume):** | | | | |
| Number of Trouble Calls Handled | | 120,000 | | 120,000 |
| **B.1.8. Strategy:** CONCEALED HANDGUN LICENSING | $ | 4,262,645 | $ | 4,262,645 |
| Perform background checks and determine the suitability of concealed handgun applicants; issue, suspend or revoke handgun licenses; and administer the certification of trainers. | | | | |
| **Output (Volume):** | | | | |
| Number of Original Handgun Licenses Issued after the Application Has Been Received and Approved for Issue | | 65,748 | | 65,748 |
| **Total, Goal B:** PREVENT AND DETECT CRIME | $ | 105,363,614 | $ | 105,100,225 |

**C. Goal:** DISASTER RESPONSE
To respond in a timely fashion to emergencies and disasters and administer a comprehensive emergency-management program.

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Percentage of Local Governments Achieving an Acceptable or Greater Level of Emergency Preparedness | | 26% | | 26% |

| | | | | |
|---|---|---|---|---|
| **C.1.1. Strategy:** EMERGENCY PLANNING<br>Provide emergency management training, and planning assistance and guidance to state agencies and local governments. | $ | 6,702,977 | $ | 6,702,977 |
| **C.1.2. Strategy:** RESPONSE COORDINATION<br>Review and coordinate emergency and disaster response operations. | $ | 575,531 | $ | 575,531 |
| **Output (Volume):** | | | | |
| Number of Emergency Incidents Coordinated | | 2,032 | | 2,032 |
| **C.1.3. Strategy:** DISASTER RECOVERY<br>Process and monitor all requests and applications for recovery and mitigation assistance based upon requirements and procedures. | $ | 874,500 | $ | 846,500 |
| **Output (Volume):** | | | | |
| Number of Counties Provided Disaster Financial Assistance | | 93 | | 93 |
| **Total, Goal C:** DISASTER RESPONSE | $ | 8,153,008 | $ | 8,125,008 |
| **D. Goal:** POLYGRAPH EXAMINERS BOARD<br>To examine only qualified applicants and license only those who are proficient and competent as polygraph examiners and to aggressively enforce the Polygraph Examiners Act and ensure swift, fair, effective enforcement for all violators of the Act. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees with No Recent Violations | | 99% | | 99% |
| **D.1.1. Strategy:** ADMINISTRATION AND ENFORCEMENT | $ | 91,280 | $ | 91,280 |
| **Output (Volume):** | | | | |
| Number of Examination Sessions Conducted | | 6 | | 6 |
| **E. Goal:** COMMISSION ON PRIVATE SECURITY<br>To aggressively enforce the provisions of the Private Security Act for the protection of the general public and consumers of private investigations and security services and products through the efforts of its field offices and headquarters personnel. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Documented Complaints Resolved within Six Months | | 99% | | 99% |
| Percent of Licensees with No Recent Violations | | 99% | | 99% |
| **E.1.1. Strategy:** INVESTIGATIONS<br>Investigate allegations, reports and notices of violations of the Private Security Act and rules. | $ | 404,338 | $ | 404,338 |
| **Output (Volume):** | | | | |
| Number of Investigations Conducted | | 12,243 | | 12,243 |
| **Efficiencies:** | | | | |
| Average Time for Case Closure | | 47 | | 47 |
| Average Cost Per Complaint Resolved | | 34.85 | | 34.85 |
| **E.1.2. Strategy:** ENFORCEMENT<br>Seek timely prosecution of unlicensed companies providing regulated services through the courts and take administrative action against licensed companies and registered and commissioned individuals operating in violation of the Private Security Act and rules. | $ | 109,828 | $ | 109,828 |
| **Efficiencies:** | | | | |
| Average Cost Per Disciplinary Action | | 383.25 | | 383.25 |
| **E.1.3. Strategy:** LICENSES AND REGISTRATION<br>Issue and renew company licenses and individual registrations and commissions (gun permits) of qualified applicants and deny same to those applicants who do not meet minimum standards. | $ | 255,834 | $ | 255,834 |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 30,000 | | 32,000 |

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued | | 17 | | 20 |
| **Total, Goal E:** COMMISSION ON PRIVATE SECURITY | $ | 770,000 | $ | 770,000 |
| **F. Goal:** INDIRECT ADMINISTRATION | | | | |
| **F.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 9,062,861 | $ | 8,999,441 |
| **F.1.2. Strategy:** INFORMATION RESOURCES | $ | 22,740,983 | $ | 22,672,765 |
| **F.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 5,979,022 | $ | 5,979,022 |
| **F.1.4. Strategy:** REGIONAL ADMINISTRATION | $ | 9,098,232 | $ | 9,098,232 |
| **F.1.5. Strategy:** PHYSICAL PLANT | $ | 4,061,000 | $ | 4,061,000 |
| **Total, Goal F:** INDIRECT ADMINISTRATION | $ | 50,942,098 | $ | 50,810,460 |
| **Grand Total,** DEPARTMENT OF PUBLIC SAFETY | $ | 391,481,048 | $ | 389,695,747 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 1,534,280 | $ | 1,534,280 |
| Concealed Handgun License Account | | 4,262,645 | | 4,262,645 |
| Subtotal, General Revenue Fund | $ | 5,796,925 | $ | 5,796,925 |
| General Revenue Fund - Dedicated | | | | |
| Breath Alcohol Testing Account No. 5013 | | 1,103,245 | | 1,103,245 |
| Fugitive Apprehension Account No. 5028 | | 10,693,341 | | 10,693,341 |
| Operators and Chauffeurs License Account No. 099 | | 12,920,504 | | 12,638,414 |
| Motorcycle Education Account No. 501 | | 923,899 | | 923,899 |
| Subtotal, General Revenue Fund - Dedicated | $ | 25,640,989 | $ | 25,358,899 |
| Federal Funds | | | | |
| Federal Funds | | 10,818,311 | | 10,818,311 |
| Motor Carrier Act Enforcement | | 5,000,000 | | 5,000,000 |
| Subtotal, Federal Funds | $ | 15,818,311 | $ | 15,818,311 |
| Other Funds | | | | |
| Appropriated Receipts | | 7,580,460 | | 7,580,460 |
| Interagency Contracts | | 1,410,812 | | 1,410,812 |
| Criminal Justice Grants | | 600,000 | | 600,000 |
| State Highway Fund No. 006 | | 334,633,551 | | 333,130,340 |
| Subtotal, Other Funds | $ | 344,224,823 | $ | 342,721,612 |
| **Total, Method of Financing** | $ | 391,481,048 | $ | 389,695,747 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 1,333,027 | $ | 1,343,393 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 7,519.0 | | 7,537.0 |
| **Number of FTEs in Riders:** | | 35.0 | | 50.0 |
| **Schedule of Exempt Positions:** | | | | |
| Director (Department of Public Safety), Group 4 | | $102,000 | | $102,000 |
| Executive Officer (Polygraph Examiners Board) | | 40,000 | | 40,000 |

| | | | | |
|---|---|---|---|---|
| Executive Director, (Commission on Private Security), Group 2 | | 60,000 | | 60,000 |
| Per Diem of Board Members (Commission on Private Security) | | 2,500 | | 2,500 |
| **Supplemental Appropriations Made in Riders:** | $ | 11,561,338 | $ | 7,600,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 262,248,580 | $ | 262,229,202 |
| Other Personnel Costs | | 5,084,847 | | 5,117,010 |
| Operating Costs | | 17,141,868 | | 13,267,530 |
| Professional Fees and Services | | 6,961,936 | | 6,961,602 |
| Fuels and Lubricants | | 3,637,325 | | 3,653,456 |
| Consumable Supplies | | 8,159,993 | | 8,082,654 |
| Utilities | | 4,547,924 | | 4,547,339 |
| Travel | | 3,094,002 | | 3,100,107 |
| Rent - Building | | 1,508,258 | | 1,507,586 |
| Rent - Machine and Other | | 892,425 | | 880,820 |
| Debt Service | | 3,523,511 | | 3,435,715 |
| Other Operating Expense | | 50,074,031 | | 49,956,332 |
| Grants | | 6,716,558 | | 6,716,558 |
| Capital Expenditures | | 29,451,128 | | 27,839,836 |
| **Total, Object-of-Expense Informational Listing** | $ | 403,042,386 | $ | 397,295,747 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | $ | 1,125,000 | $ | 1,125,000 |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Lease Payments (MLPP) for 1998-99 NCIC/TLETS Upgrade | | 3,523,511 | | 3,435,715 |
| (2) Computer Hardware and Software (Private Security) | | 26,976 | | 26,578 |
| (3) Multi Line Phone System (Private Security) | | 5,991 | | 6,235 |
| (4) Other Information Resource Projects | | 5,364,469 | | 5,103,918 |
| Total, Acquisition of Information Resource Technologies | $ | 8,920,947 | $ | 8,572,446 |
| c. Transportation Items (Approximately 1,794 vehicles) | | 18,608,946 | | 17,629,151 |
| d. Acquisition of Capital Equipment and Items | | 3,780,801 | | 3,743,601 |
| Total, Capital Budget | $ | 32,435,694 | $ | 31,070,198 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 32,967 | $ | 32,813 |
| Concealed Handgun License Account | | 20,000 | | 35,000 |
| Subtotal, General Revenue Fund | $ | 52,967 | $ | 67,813 |
| General Revenue Fund - Dedicated | | | | |
| Fugitive Apprehension Account No. 5028 | | 972,184 | | 972,184 |
| Operators and Chauffeurs License Account No. 099 | | 527,762 | | 529,922 |
| Motorcycle Education Account No. 501 | | 200,003 | | 200,003 |
| Subtotal, General Revenue Fund - Dedicated | $ | 1,699,949 | $ | 1,702,109 |
| Other Funds | | | | |
| Appropriated Receipts | | 1,750,000 | | 1,750,000 |
| Criminal Justice Grants | | 600,000 | | 600,000 |
| State Highway Fund No. 006 | | 28,332,778 | | 26,950,276 |
| Subtotal, Other Funds | $ | 30,682,778 | $ | 29,300,276 |
| Total, Method of Financing | $ | 32,435,694 | $ | 31,070,198 |

2. **Additional Capital Budget Authority.** In addition to the provisions of Rider 1, Capital Budget, the Department of Public Safety is authorized to make the following capital purchases at the following amounts from funds appropriated by this Act:

| | 2004 | 2005 |
|---|---|---|
| a. Replacement Aircraft and Helicopter | $ 2,456,070 | $ UB |
| Total, Additional Capital Budget | $ 2,456,070 | $ UB |

3. **Sale of Vehicles.** Funds derived from the sale of passenger vehicles and aircraft operated by the Department of Public Safety are hereby appropriated to the Department of Public Safety and are to be deposited in appropriations where like purchases can be made. Should the actual receipts from the sale of vehicles exceed the amount in the capital budget rider, the department is authorized to purchase vehicles in excess of the number listed.

4. **Marked Vehicles.** None of the funds appropriated hereinabove may be expended for the salaries of personnel operating motor vehicles used to stop and actually arrest offenders of highway speed laws unless such vehicles are black, white, or a combination thereof and plainly marked with the department's insignia.

5. **Restriction of Vehicle Use.** Notwithstanding the provisions of Article IX of this Act, the Department of Public Safety may certify no more than 15 exceptions to the prohibition related to use of a state car for commuting to and from work.

6. **Abandoned Vehicles.** Funds accruing to the department under the provisions of Chapter 683, Transportation Code, are hereby appropriated to the department to assist in the administration of the Act.

7. **Gasoline Contingency.** In addition to funds appropriated above and contingent upon certification by the Comptroller of Public Accounts, the Department of Public Safety is hereby appropriated up to $40,000 annualized per year from State Highway Fund No. 006 for each cent increase in the average gasoline cost per gallon to the department above $.90 per gallon (estimated to be $0).

8. **Emergency Calls.** The department shall maintain for each fiscal year, the number of times supervisory officers above the rank of lieutenant respond to emergency calls requiring departure from the officer's private residence or from the office. This information shall contain specific references as to the nature of each emergency.

9. **Aircraft Authority.** The Department of Public Safety is authorized to purchase, own, maintain, and operate helicopters in performance of its responsibilities. The department may purchase additional aircraft through seized funds. In addition to authority to purchase, own, maintain, and operate aircraft, the department is authorized to own, maintain, and operate any aircraft seized pursuant to authority contained in Chapter 481, Health and Safety Code, Chapter 59, Code of Criminal Procedure or under any other statute authorizing the department to own, maintain, or operate seized aircraft. The department is directed to submit, as part of its Annual Report, details on the acquisition and disposition of seized aircraft.

10. **Aviator Reimbursement.** From the amounts appropriated above, an amount not to exceed $10,000 each year of the biennium may be used for reimbursement of costs related to aviator assistance to state agencies, such as search and rescue or disaster-related functions. Reimbursements may include actual costs of aircraft operation including fuel, oil, maintenance and routine costs incurred by trained and certified private volunteer aviators using privately owned aircraft in state-authorized flight operations and training exercises associated with disaster-related activities. The reimbursement shall not exceed the rate approved by the state per flying hour, when such aircraft costs are not reimbursable by other governmental agencies in accordance with Chapter 418, Government Code.

11. **Seized Assets Report.** The Department of Public Safety shall file with the Governor and the Legislative Budget Board, no later than the first Friday of October of each year and in a manner approved by the State Auditor's Office, a report disclosing information on seized/forfeited assets. The report shall contain a summary of receipts, disbursements, and fund balances for the fiscal year derived from both federal and state sources and supporting detail. The detail information shall, at a minimum, include the following:

    a. Regarding receipts: the court in which the case was adjudicated, the nature of the assets, the value of the assets, and the specific, intended use of the assets; and

    b. Regarding disbursements: the departmental control number, the departmental category, the division making the request, the specific item and amount requested, the amount the department approved, and the actual amount expended per item.

12. **Disposition of Seized Funds.** The Department of Public Safety is hereby directed to deposit all funds currently held, or obtained in the future pursuant to seizure actions or judicial forfeiture according to rules and procedures developed by the Comptroller of Public Accounts. The department shall cooperate with the Comptroller of Public Accounts in developing agreements and procedures for the deposit of seized state funds in accounts in the State Treasury.

13. **Controlled Substances.** In addition to the amounts appropriated above in Strategy B.1.1, Narcotics Enforcement, $6.5 million in fiscal year 2004 and $7.6 million in fiscal year 2005 from Federal Funds are appropriated to the Department of Public Safety. All revenues in excess of these amounts collected under federal forfeiture programs are hereby appropriated to the Department of Public Safety to be used for law enforcement purposes (estimated to be $0). Any funds unexpended at the close of each fiscal year are appropriated for the following year. Funding priority shall be given to the purchase of new equipment for field employees.

14. **Witness Fees.** From the appropriations made herein, the Department of Public Safety may pay the witness fees and travel expenses of out-of-state witnesses, subject to the advance, written approval of the District Attorney for the county having venue over the law violation under investigation.

15. **Purchase of Evidence.** From the amounts appropriated above to the Department of Public Safety, an amount not to exceed one million dollars ($1,000,000) each year of the biennium, exclusive of amounts forfeited to the Department of Public Safety by any court of competent jurisdiction and amounts received from the United States government derived from the forfeiture of monies and property, is hereby designated for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Department of Public Safety; and accountability for expenditures as set forth above shall be governed by such rules and regulations as the director of the Department of Public Safety may recommend, subject to review and approval by the State Auditor. Such amounts may be maintained in cash to facilitate the purchase of evidence, information and/or surveillance expense.

16. **Academy Costs.** The Department of Public Safety (DPS) may charge employees and students of the DPS Academy for tuition, lodging, and meals at such prices as may be set by the department. Such funds as received are hereby appropriated to cover the expenses entailed in providing such students and employees their lodging, meals, incidental expenses, and to pay visiting instructors.

17. **Medical and Funeral Costs.** Monies appropriated above may be expended for drugs, medical, hospital, laboratory and funeral costs of law enforcement employees or other employees performing duties involving unusual risk when injury or death occurs in the performance of such duties. It is the intent of the Legislature that monies appropriated above shall not be expended for drugs, medical, hospital, laboratory or funeral costs of employees who are not actively engaged in the performance of law enforcement or other hazardous duties or of law enforcement employees when injury or death occurs in the performance of clerical or office duties as distinguished from law enforcement or other duties involving unusual risk. Monies appropriated above may also be expended for physical examinations and testing when such examinations and tests are a condition of employment or exposure to infectious diseases or hazardous materials occurs in the line of duty.

18. **Authorization of Funeral Travel Reimbursement.** The Department of Public Safety may reimburse a commissioned peace officer or communications officer in its employ the costs for lodging, transportation and meals, in accordance with Article IX travel regulations of this Act, when such travel is for the purpose of representing the department at the funeral of a fallen peace officer. The reimbursement authorized by this provision applies to out-of-state, as well as, in-state travel. It is the intent of the Legislature that the department send only a small delegation to any single out-of-state funeral.

19. **Moving Expenses.** Notwithstanding any other provision of this Act, and with the approval of the Director, the department may use appropriated funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a commissioned peace officer employed by the department who is transferred from one designated headquarters to another so long as the department determines that the best interests of the State will be served by such transfer.

20. **Travel for Security Personnel.** Notwithstanding other provisions of this Act, commissioned Department of Public Safety personnel when transporting and providing security for the Governor or Governor-elect and his or her spouse and immediate family; other members of the executive, legislative, and judicial branches of state government; and visiting governors from other states when assigned, shall be reimbursed for their actual meals, lodging and incidental expenses when on official travel in or out of the state.

21. **Historical Museum.** The Department of Public Safety is authorized to allow the Department of Public Safety Historical Museum to utilize department property for the purpose of a historical museum. No state funds are appropriated for this purpose.

22. **Polygraph Examinations.** None of the funds appropriated to the Department of Public Safety may be expended for polygraph testing of commissioned law enforcement officers of the Department of Public Safety, unless requested by the officer.

23. **Stranded Motorist Assistance.** The Department of Public Safety is designated as the lead state agency to help motorists whose vehicles are disabled on state and federal roads. The department shall obtain the cooperation of all relevant state agencies, especially the Texas Department of Transportation, and coordinate its efforts with all local law enforcement agencies and interested private businesses. As part of this initiative, the Department of Public Safety shall establish and publicize a toll free number and a universal distress signal for motorists that are in need of assistance.

24. **Supply and Inventory Cost Allocation.** The Department of Public Safety is hereby authorized to establish a supply and inventory cost pool to which appropriations may be transferred from any strategy item. These transfers shall be restricted to the purchase of supplies and inventory items. Expenditures from the cost pool shall be allocated back to the applicable strategies of the Department of Public Safety within 30 days following the close of each fiscal quarter.

25. **Criminal History Checks to Specified Licensing Agencies.** The Department of Public Safety shall provide to the agencies listed in Article 60.061, Code of Criminal Procedure, a system for checking at least annually, but not more than quarterly, or as otherwise provided by Article 60.061, the existing licensees of these agencies against information in criminal history files. The Department of Public Safety may not charge or assess a fee to an agency providing information to the department that is in excess of the actual direct cost incurred by the department.

26. **Appropriations of Receipts–Parking Violation Revenues.** The Department of Public Safety shall collect a $10.00 fine for all parking violations in the Capitol Complex. All revenue received from parking violations shall be deposited to the General Revenue Fund and is hereby appropriated for use by the Department of Public Safety for Capitol Police Security and parking for the 2004-05 biennium (estimated to be $99,000 annually included in the amounts appropriated above). All revenues collected from parking meters in the Capitol Complex are hereby appropriated to the Preservation Board, or as otherwise specified by statute.

27. **Contingency Appropriation Reduction.** The funds appropriated above to the department are hereby reduced by an equal amount from the General Revenue Fund, State Highway Fund 006, or a combination of the two funds in the event the Department of Public Safety expends any funds not authorized by the General Appropriations Act, any provision within this Act which places a limitation on expenditures, or an affirmative action by the Legislature.

28. **Appropriation Transfers.** Notwithstanding any other provision of this bill, the Department of Public Safety may not transfer funds between items of appropriation in excess of 25 percent and shall notify the Governor and the Legislative Budget Board any time the department transfers an amount of $100,000 or more between items of appropriation. Once the cumulative total of transfers from an item exceeds $100,000, notification shall be made of each transfer from that item thereafter, regardless of the amount. Such notification shall include the amount transferred, the strategies involved, and justification for the transfer. In addition, the Department of Public Safety is hereby prohibited from transferring any and all appropriations from Strategy B.1.4. into any other strategies without consent of the Governor and the Legislative Budget Board.

29. **Complex Crime Unit.** From monies appropriated above, the Department of Public Safety shall maintain a Complex Crime Unit to investigate offenses involving theft or misapplication of government property, the investigation of which requires a level of expertise in disciplines such as accounting, computer technology, or another that is not readily available to local law enforcement agencies.

    a. The total cost of assistance including administrative costs shall not exceed $1,000,000 to be paid in $500,000 in fiscal year 2004 and $500,000 in fiscal year 2005.

    b. The director of the department shall employ commissioned peace officers and noncommissioned employees to perform duties required of the unit. To be eligible for employment by the Complex Crime Unit, a peace officer must have not less than four years of experience as a peace officer; and a degree from an accredited institution of higher education in law, accounting or computer science; or two or more years of experience in the investigation of complex criminal offenses or similar law. To be eligible for employment under this section, a noncommissioned employee must meet the experience, training, and educational qualifications set by the director as requirements for investigating or assisting in the investigation of a crime.

    c. On the request of an attorney representing the state and with approval of the director, the Complex Crime Unit of the department may assist local law enforcement in the investigation of crime. On the request of the Governor and with the approval of the director, the Complex Crime Unit of the department may investigate a crime involving harm to the interests of a state agency.

30. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above in Strategy A.1.5, Vehicle Inspection, is $5,064,268 each fiscal year for the operation of the vehicle emissions inspection and maintenance program pursuant to § 382.037, Health and Safety Code, and Executive Order GWB96-1.

    If additional counties are brought into the vehicle emissions inspection and maintenance program, 80 percent of revenues generated from the vehicle emissions and inspections fee in excess of the Comptroller's Biennial Revenue Estimate in each fiscal year 2004 and 2005 are hereby appropriated to the agency for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program in the additional counties. In addition, if additional counties are brought into the vehicle emissions inspection and maintenance program, the "Number of Full-Time-Equivalent Positions (FTE)" is further increased by 15 for fiscal year 2004 and 30 for fiscal year 2005, to implement the program in the additional counties.

31. **Appropriation of Receipts: Concealed Handgun Licensing Program.** The amounts appropriated above for Strategy B.1.8, Concealed Handgun Licensing, include $4,262,645 for fiscal year 2004 and $4,262,645 for fiscal year 2005 from the Concealed Handgun License Account No. 991 for the purpose of administering the Concealed Handgun Licensing Program. The total amount expended for the administration of the handgun licensing program, including "other direct and indirect costs" in the amount of $1,317,667 for fiscal year 2004 and $1,328,026 for fiscal year 2005, shall not exceed, in any biennium, the receipts collected pursuant to Subchapter H, Chapter 411, Government Code.

32. **Clothing Provisions.**

    a. A commissioned officer who received a $1,200 clothing allowance pursuant to the Appropriations Act during the 2002–03 biennium shall receive a $1,200 clothing allowance in the 2004–05 biennium.

b. A commissioned officer who received a $500 cleaning allowance pursuant to the Appropriations Act for the 2002–03 biennium shall receive a $500 cleaning allowance in the 2004–05 biennium irrespective of promotion to any rank.

c. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

d. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a $500 cleaning allowance.

e. All noncommissioned personnel required to wear uniforms are entitled to a $500 cleaning allowance.

33. **Recruit Schools.** Recruits participating in the recruit school of the Department of Public Safety shall not be counted toward the limit on the number of full-time-equivalent positions (FTEs) for the agency until their graduation. Upon graduation, the additional officers shall not cause the department to exceed the department's limit on FTEs. The number of participants in the recruit schools shall be included in all required reports concerning FTEs and vacancies, but the recruits shall be reported as a separate total from the agency's other FTEs.

34. **Training for Local Law Enforcement Agencies.** The Department of Public Safety shall provide training to local law enforcement agencies and implement changes with the objective of enhancing participation.

35. **Reporting Procedure for Land Acquisition and Construction Projects.** The Department of Public Safety shall report to the Governor, the House Appropriations Committee, the Senate Finance Committee and the Legislative Budget Board if a department project managed by the Building and Procurement Commission and funded through appropriations by the Legislature lags six months or more behind the project's original timeline and/or exceeds the original budget by more than 25 percent. Reports should not include delays or cost overruns caused by acts of nature or other factors outside the control of the Building and Procurement Commission.

36. **Hardship Stations.** Out of funds appropriated above, the Department of Public Safety is authorized to designate 40 hardship stations across the state based on excessive vacancies in the Traffic Law Enforcement Division. The department shall provide incentives to commissioned peace officers accepting positions at these posts.

37. **Response to Bomb or Other Terrorist Threats in the Capitol Complex.** The Department of Public Safety shall review the procedures for responding to a bomb or other terrorist threat in the Capitol Complex, determine what changes, if any, would ensure a more effective response to a threat and adopt necessary changes.

    The Department of Public Safety shall also provide written procedures and guidance for responding to a bomb or other terroristic threat to each agency director in the Capitol Complex as well as any individual in charge of risk management for such agency.

38. **Security Services in the Capitol Complex.** The Department of Public Safety shall periodically review the security services provided by each law enforcement agency or security agency in the Capitol Complex (including the law enforcement services provided by the Internal Investigations Division of the Office of the Attorney General in the Capitol Complex) and adopt rules to coordinate these services and insure maximum effectiveness. The review and adopted rules should aim to eliminate any duplication of services.

39. **Radio Technicians.** From funds appropriated above, the Department of Public Safety shall provide each administrative region with two radio technicians.

40. **Contingency Personnel, DNA Analyses.** Contingent on the receipt of federal funds for DNA analyses or DNA backlog elimination purposes in an amount sufficient to cover the costs related to the additional personnel authorized by this rider, the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by 12 each fiscal year. Seven of these authorized FTEs are to be assigned to the department's primary DNA facility, while the remaining five are to be assigned to field laboratories.

41. **Authorized Trooper Strength.** From funds appropriated, the Department of Public Safety shall maintain the number of highway patrol trooper positions at no less than 1,873.

42. **Contingency Personnel, North Texas Tollway Authority Contract.** The department is authorized 25 highway patrol service positions upon entering into an interlocal cooperation contract with the North Texas Tollway Authority to police the Dallas North Tollway Systems. The "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by eight each fiscal year. The eight FTEs authorized by this rider may not be added until the department reaches the number of troopers patrolling Texas highways in accordance with the goals as outlined in Rider Number 41, Authorized Trooper Strength.

    The contract shall include salaries, retirement, group insurance, auto operation costs, operational expenses, and amortization of equipment, including, but not limited to, vehicles. The expenses to be covered must also include expenses related to radio communications, office space and furniture, printing, postage, personnel moving expenses, telephone services, patrol car equipment, and secretarial and clerical services. Upon termination of the contract, the department must notify the Governor, Legislative Budget Board, and the State Auditor's Office of the termination and phase out the additional FTEs.

43. **Information Services.** It is the intent of the Legislature that the Department of Public Safety utilize the West Texas Disaster Recovery and Operations Center (WTDROC), to the maximum extent possible, in compliance with Article IX, § 9.03, of the General Appropriations Act, Seventy-seventh Legislature, Regular Session.

44. **Unsolved Crimes Investigation Team.** Included in the amounts appropriated above in Strategy B.1.4, Texas Rangers, is $1,039,262 in fiscal year 2004 and $1,011,271 in fiscal year 2005 for the purpose of providing assistance to Texas law enforcement agencies with the investigation of unsolved murders and serial or linked criminal transactions. Also included above are 13 full-time-equivalent positions (FTEs) that are provided specifically for the staffing of the unsolved crimes investigation team with the intent that at least nine of the FTEs are commissioned personnel.

45. **Appropriation: Unexpended Balance Authority.** The Department of Public Safety is hereby appropriated unexpended and unencumbered balances in an amount not to exceed $3,061,338 from the biennium ending August 31, 2003, to the biennium beginning September 1, 2003. Balances appropriated can only be expended for expenses related to the Crash Records Information System.

46. **Feasibility Study.** Out of the funds appropriated above, the Department of Public Safety shall investigate the sale of its headquarter properties in Austin and the use of the proceeds to relocate its headquarters on land already owned by the agency. The findings shall be reported to the Legislative Budget Board and the Governor by January 1. 2005.

47. **Appropriation: Crash Records Information System.** In addition to the funds appropriated above, the Department of Public Safety is hereby appropriated $2,000,000 in fiscal year 2004 with any unexpended balance carried forward to fiscal year 2005 from the Department of

Insurance Operating Fund, No. 36 to further develop and implement the Crash Records Information System. The Department of Public Safety and Department of Insurance are authorized to enter into interagency contracts as needed to develop and implement this system.

48. **Polygraph Examiners Board.** The Polygraph Examiners Board, Strategy D.1.1, is an agency of the State of Texas fully autonomous and independent of the Department of Public Safety pursuant to Occupations Code § 1703.001. The board is responsible for hiring an Executive Officer, and shall pay this exempt employee a salary in an amount not to exceed $40,000 per annum. The Executive Officer position is subject to Article IX provisions regarding Scheduled Exempt Positions. Board member per diem shall not exceed $4,200 per year.

Fee Rates
The Polygraph Examiners Board shall establish reasonable fees pursuant to Government Code § 316.043, to be effective during the biennium beginning on the effective date of this Act, not to exceed:

| | | |
|---|---|---|
| a. | Polygraph Examiners License | $ 500.00 |
| b. | Internship License Application Fee | 300.00 |
| c. | Duplicate License | 100.00 |
| d. | Renewal Fee for Examiners License | 500.00 |
| e. | Extension or Renewal of an Internship License | 150.00 |
| f. | Examination Fee | 200.00 |
| g. | Late Fee | 200.00 |

Assistance from the Department of Public Safety

The Department of Public Safety will be responsible for providing administrative support, as is necessary, to ensure that the Polygraph Examiners Board complete all written reports, including the legislative appropriations request, the strategic plan and the annual financial report, and all data entry into ABEST, USAS, and other state systems as is required of the Polygraph Examiners Board by statute or by oversight agency directives.

It is the intent of this rider that the Department of Public Safety assist the Polygraph Examiners Board in meeting the aforementioned requirements. The Executive Officer and staff of the Polygraph Examiners Board remain solely responsible for completing administrative tasks imposed by the Polygraph Examiners Board.

49. **Texas Commission on Private Security.**

a. Appropriation, salaries, and expenses. It is the intent of the Legislature that the Texas Commission on Private Security be under the financial oversight of the Department of Public Safety. The Texas Commission on Private Security continues to be an agency of the State of Texas pursuant to Occupations Code, Chapter 1702. The agency is authorized 14.0 FTEs and an annual appropriation of $770,000 each fiscal year of the 2004–05 biennium. The commission is responsible for hiring an Executive Director, and shall pay this exempt employee from the position classification plan by § 654.012, Government Code, a salary not to exceed $60,000 per annum. The Executive Director is subject to Article IX provisions regarding Scheduled Exempt Positions. The total amounts paid to each individual commission member as compensatory per diem, and reimbursement for transportation expenses in accordance with § 1702.028, Occupations Code shall not exceed $2,500 per fiscal year including expenses for training required under § 1702.030, Occupations Code.

b. Fee Rates. To provide for the recovery of costs for the preceding appropriations, the following fee rate is established pursuant to Government Code § 316.043, to be effective during the biennium covered by this Act:

| | |
|---|---|
| Class A license (original and renewal) | $ 250 |
| Class B license (original and renewal) | $ 300 |
| Class C license (original and renewal) | $ 440 |
| Reinstate suspended license | $ 150 |
| Assignment of license | $ 150 |
| Change name of license | $ 75 |
| Branch Office Certificate (original and renewal) | $ 200 |
| Registration fee for private investigators, managers, branch office managers, and alarm system installers (original and renewal) | $ 20 |
| Registration fee for noncommissioned security officer (original and renewal) | $ 25 |
| Registration fee for security sales person | $ 20 |
| Registration fee for alarm systems monitor | $ 20 |
| Registration fee for guard dog trainer (original and renewal) | $ 20 |
| Registration fee for owner, officer, partner, or shareholder of a licensee (original and renewal) | $ 50 |
| Registration fee for security consultant (original and renewal) | $ 55 |
| Security officer commission fee (original and renewal) | $ 50 |
| School instructor fee (original and renewal) | $ 100 |
| School approval fee | $ 250 |
| Letter of authority fee for private businesses and political subdivisions (original and renewal) | $ 300 |
| FBI Fingerprint Check | $ 25 |
| Duplicate pocket card fee | $ 10 |
| Employee information update fee (transfer) | $ 15 |
| Burglar alarm seller's fee | $ 25 |
| Personal Protection Officer Authorization | $ 50 |

c. Assistance from the Department of Public Safety. The Department of Public Safety will be responsible for providing administrative support (including accounting, human resources, field and headquarters' office space, computer/database support, and crime records information) as is necessary for the Texas Commission on Private Security. Additionally, the Department of Public Safety is responsible for preparing the annual financial report, including the annual report required under § 1702.069, Occupations Code, legislative appropriations request, strategic plan, and data entry into all state accounting systems, and other state systems as required of the Texas Commission on Private Security by statutes or by oversight agency directives.

The Department of Public Safety shall assist the Texas Commission on Private Security in the aforementioned requirements. The Executive Director and staff of the Texas Commission on Private Security remain solely responsible for completing administrative tasks imposed by the board of the Texas Commission on Private Security.

50. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees and other miscellaneous revenues as authorized and generated by the Texas Commission on Private Security cover, at a minimum, the cost of the appropriations made above in Strategies E.1.1, E.1.2, and E.1.3. plus an additional $400,000 in fiscal year 2004 and $400,000 in fiscal year 2005 for administrative services provided by the Department of Public Safety as well as the "other direct and indirect costs" for the Texas Commission on Private Security estimated to be $15,360 for fiscal year 2004 and $15,367 for fiscal year 2005. In the event that actual and/or

projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above in Strategies E.1.1, E.1.2, and E.1.3. to be within the amount of revenue expected to be available.

51. **Board Meetings at State Facilities.** It is the intent of the Legislature that, in order to minimize cost, meetings of the Texas Commission on Private Security be held only at state facilities in Austin, Texas.

52. **Contract Reports.** It is the intent of the Legislature that the Texas Commission on Private Security provide the Governor and the Legislative Budget Board detailed information on all current contracts, and an annual report by November 30th of all contracts initiated during the previous fiscal year, in addition to other contract reporting requirements in statute.

53. **Staffing Patterns – Texas Commission on Private Security.** It is the intent of the Legislature that the Texas Commission on Private Security achieve greater compliance with the Private Security Act by strategically locating its investigators across the state to maximize the use of Department of Public Safety regional offices, minimize travel related costs and support/represent a significant number of companies and persons regulated in the region. None of the funds appropriated above shall be expended to maintain or support offices that are located in the homes of Texas Commission on Private Security employees.

54. **Fixed Asset Inventory – Texas Commission on Private Security.** It is the intent of the Legislature that the Texas Commission on Private Security reduce its computer and related equipment as well as other fixed asset inventory items relative to the reduction in the number of FTEs authorized to the agency. All excess computer and related equipment as well as other fixed asset inventory items are to be transferred to the Department of Public Safety. If the Texas Commission on Private Security does not own the excess items, the Department of Public Safety shall pay the remaining obligation on the items.

55. **Transfer of Vehicles to Texas Commission on Private Security.** The Department of Public Safety shall sell five vehicles to the Texas Commission on Private Security for $1 per vehicle. The vehicles shall have mileage not to exceed 80,000 at the time of transfer. The vehicles transferred from the Department of Public Safety are for the sole use of the Texas Commission on Private Security and are intended for use by the commission's investigators and are prohibited for use for commuting to and from work. The Texas Commission on Private Security is responsible for maintenance and repair of these vehicles. These vehicles are to be returned to the Department of Public Safety for replacement in accordance with the Department of Public Safety vehicle replacement schedule for non-pursuit vehicles.

## YOUTH COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROTECT PUBLIC<br>To protect the public from the delinquent and criminal acts of TYC youth while they are in institutional or community-based correctional programs. | | |
| **Outcome (Results/Impact):** | | |
| Turnover Rate of Juvenile Correctional Officers | 25% | 25% |
| **A.1.1. Strategy:** ASSESSMENT AND ORIENTATION<br>Provide a system of assessment and orientation | $ 4,654,450 | $ 4,672,421 |

| | | | | |
|---|---|---|---|---|
| which is culturally competent and accurately determines the relative security risk and treatment needs of committed youth so they are placed in appropriate programs. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Assessment and Orientation | | 436 | | 436 |
| **A.1.2. Strategy:** INSTITUTIONAL SERVICES | $ | 118,686,737 | $ | 121,324,188 |
| Provide TYC-operated secure correctional programs under conditions that promote the youth's positive development and the interests and safety of the public, youth, and staff. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Institutional Programs | | 4,199 | | 4,347 |
| **Efficiencies:** | | | | |
| Capacity Cost in Institutional Programs Per Youth Day | | 77.23 | | 76.47 |
| **A.1.3. Strategy:** CONTRACTED CAPACITY | $ | 26,190,503 | $ | 22,808,467 |
| Provide additional secure and nonsecure residential capacity through contracts with private service providers that promote the youth's positive development and the interests and safety of the public and youth. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Contract Programs | | 733 | | 647 |
| **Efficiencies:** | | | | |
| Capacity Cost in Contract Programs Per Youth Day | | 97.62 | | 96.58 |
| **A.1.4. Strategy:** HALFWAY HOUSE SERVICES | $ | 7,478,310 | $ | 7,447,111 |
| Provide TYC-operated nonsecure correctional programs under conditions that promote the youth's positive development and the interests and safety of the public and youth. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Halfway House Programs | | 218 | | 218 |
| **Efficiencies:** | | | | |
| Capacity Cost in Halfway Houses Per Youth Day | | 93.73 | | 93.59 |
| **A.1.5. Strategy:** HEALTH CARE SERVICES | $ | 12,860,339 | $ | 12,670,957 |
| Provide a system of health care to address a youth's medical and dental needs while in residential care. | | | | |
| **Efficiencies:** | | | | |
| Cost of Health Care Services Per Youth Day | | 7.45 | | 7.27 |
| **A.1.6. Strategy:** PSYCHIATRIC SERVICES | $ | 1,558,533 | $ | 1,591,130 |
| Provide a system of psychiatric services to address youth's mental health needs while in residential care. | | | | |
| **Efficiencies:** | | | | |
| Cost of Psychiatric Care Services Per Youth Day | | .9 | | .91 |
| **A.1.7. Strategy:** CONSTRUCT AND RENOVATE FACILITIES | $ | 4,507,725 & UB | $ | UB |
| Construct and renovate TYC facilities to provide sufficient capacity and proper conditions. | | | | |
| **Total, Goal A:** PROTECT PUBLIC | $ | 175,936,597 | $ | 170,514,274 |

**B. Goal:** ENABLE PRODUCTIVITY
To enable TYC youth through habilitation to become productive and responsible citizens.

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Diploma or GED Rate (TYC Teacher Institutions) | | 49.4% | | 49.3% |
| Percent Reading at Grade Level at Release | | 16% | | 17% |

| | | | | |
|---|---|---|---|---|
| **B.1.1. Strategy:** EDUCATION AND WORKFORCE PROGRAMS | $ | 28,413,320 | $ | 28,774,969 |
| Provide or facilitate 12-month academic, GED, and workforce preparation programs. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Attendance in TYC-operated Schools | | 3,776 | | 3,911 |
| Percent of Math Level Gain | | 67% | | 71% |
| Percent of Reading Level Gain | | 69% | | 71% |
| Average Daily Attendance in Career and Technology Education Courses | | 1,784 | | 1,784 |
| **C. Goal:** PROVIDE REHABILITATION | | | | |
| To reduce the delinquent and criminal behavior of youth committed to TYC, and of youth currently residing in Texas and adjudicated delinquent by other states. | | | | |
| **Outcome (Results/Impact):** | | | | |
| One-year Rearrest Rate | | 54% | | 54% |
| One-year Rearrest Rate for Violent Offenses | | 8.6% | | 8.6% |
| One-year Reincarceration Rate: Total | | 26% | | 26% |
| Three-year Reincarceration Rate: Total | | 50% | | 50% |
| **C.1.1. Strategy:** CORRECTIONAL TREATMENT | $ | 15,549,144 | $ | 16,167,571 |
| Provide, through a competency-based resocialization system, correctional treatment programs appropriate to youth of all cultures. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Correctional Treatment | | 4,516 | | 4,578 |
| **Efficiencies:** | | | | |
| Correctional Treatment Cost Per Youth Day | | 9.41 | | 9.68 |
| **C.1.2. Strategy:** SPECIALIZED CORRECTIONAL TREATMENT | $ | 5,884,742 | $ | 5,889,368 |
| Provide a system of culturally competent specialized correctional treatment programs for youth with the specialized needs of capital or serious violent offense history, sex offense history, chemical abuse dependence, emotional disturbance, or mental retardation. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Specialized Correctional Treatment | | 1,045 | | 1,045 |
| **Efficiencies:** | | | | |
| Specialized Correctional Treatment Cost Per Youth Day | | 15.39 | | 15.44 |
| **C.1.3. Strategy:** PAROLE SERVICES | $ | 9,992,985 | $ | 10,006,758 |
| Provide a system of parole services to youth placed at home and remaining under TYC jurisdiction. | | | | |
| **Output (Volume):** | | | | |
| Average Daily Population: Parole | | 3,267 | | 3,368 |
| **Efficiencies:** | | | | |
| Parole Cost Per Youth Day | | 8.36 | | 8.14 |
| **C.1.4. Strategy:** INTERSTATE AGREEMENT | $ | 234,302 | $ | 234,301 |
| Implement the interstate cooperative agreement regarding the return and supervision of runaways and the supervision of juvenile probationers and parolees. | | | | |
| **Total, Goal C:** PROVIDE REHABILITATION | $ | 31,661,173 | $ | 32,297,998 |
| **D. Goal:** PREVENT DELINQUENCY | | | | |
| Help prevent delinquent behavior. | | | | |
| **D.1.1. Strategy:** PROVIDE PREVENTION INFORMATION | $ | 186,282 | $ | 186,282 |
| Provide assistance and information to support state and local efforts in delinquency prevention. | | | | |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 5,848,325 | $ | 5,848,325 |

## YOUTH COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **E.1.2. Strategy:** INFORMATION RESOURCES | $ | 3,667,547 | $ | 3,667,547 |
| **E.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 1,721,135 | $ | 1,721,135 |
| **Total, Goal E:** INDIRECT ADMINISTRATION | $ | 11,237,007 | $ | 11,237,007 |
| **Grand Total,** YOUTH COMMISSION | $ | 247,434,379 | $ | 243,010,530 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 216,469,653 | $ | 219,246,911 |
| Earned Federal Funds | | 85,000 | | 85,000 |
| Subtotal, General Revenue Fund | $ | 216,554,653 | $ | 219,331,911 |
| Federal Funds | | 14,582,964 | | 11,546,960 |
| Other Funds | | | | |
| Appropriated Receipts | | 197,260 | | 197,260 |
| Interagency Contracts | | 1,236,000 | | 1,236,000 |
| Bond Proceeds - General Obligation Bonds | | 4,507,725 & UB | | UB |
| Interagency Contracts - Transfer from Foundation School Fund No. 193 | | 10,355,777 | | 10,698,399 |
| Subtotal, Other Funds | $ | 16,296,762 | $ | 12,131,659 |
| **Total, Method of Financing** | $ | 247,434,379 | $ | 243,010,530 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 4,995.5 | | 5,037.3 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 5 | | $118,000 | | $118,000 |
| Per Diem of Board Members | | 3,600 | | 3,600 |
| **Supplemental Appropriations Made in Riders:** | $ | 9,683,387 | $ | 698,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 151,500,269 | $ | 154,147,648 |
| Other Personnel Costs | | 7,096,545 | | 7,140,852 |
| Operating Costs | | 426,695 | | 0 |
| Professional Fees and Services | | 16,836,910 | | 16,721,277 |
| Fuels and Lubricants | | 401,725 | | 403,375 |
| Consumable Supplies | | 2,489,492 | | 2,565,111 |
| Utilities | | 6,643,396 | | 6,632,036 |
| Travel | | 1,474,180 | | 1,457,070 |
| Rent - Building | | 1,638,905 | | 1,642,105 |
| Rent - Machine and Other | | 847,993 | | 861,979 |
| Other Operating Expense | | 45,334,520 | | 42,301,708 |
| Client Services | | 3,526,206 | | 3,615,982 |
| Food for Persons - Wards of State | | 3,746,906 | | 3,761,949 |
| Grants | | 94,750 | | 94,750 |
| Capital Expenditures | | 15,059,274 | | 2,362,688 |
| **Total, Object-of-Expense Informational Listing** | $ | 257,117,766 | $ | 243,708,530 |

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

| | 2004 | 2005 |
|---|---|---|
| a. Construction of Buildings and Facilities | | |
| (1) Education Building at Evins Regional Juvenile Center | $ UB | $ UB |
| b. Repair or Rehabilitation of Buildings and Facilities | | |
| (1) Utility, Road and Site Work | 125,000 & UB | UB |
| (2) Roof Replacements | UB | UB |
| (3) Rehabilitate Buildings and Systems | 4,382,725 & UB | UB |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ 4,507,725 & UB | $ UB |
| c. Acquisition of Information Resource Technologies | | |
| (1) Computer Workstation and Infrastructure Equipment Replacement - Business | 655,500 | 655,500 |
| (2) Computer Workstation and Infrastructure Equipment Replacement - Education | 716,472 | 716,472 |
| Total, Acquisition of Information Resource Technologies | $ 1,371,972 | $ 1,371,972 |
| d. Transportation Items | | |
| (1) Vehicle Replacement (33 Cargo/Passenger Vans) | 375,350 | 354,300 |
| Total, Capital Budget | $ 6,255,047 | $ 1,726,272 |

Method of Financing (Capital Budget):

| | | |
|---|---|---|
| General Revenue Fund | $ 1,030,850 | $ 1,009,800 |
| Federal Funds | 716,472 | 716,472 |
| Bond Proceeds - General Obligation Bonds | 4,507,725 &UB | UB |
| Total, Method of Financing | $ 6,255,047 | $ 1,726,272 |

2. **Interagency Contract Authorized, West Texas State School.** The Texas Youth Commission is authorized to lease from The University of Texas, for a term of years and upon conditions that are mutually agreeable to the Texas Youth Commission and The University of Texas, under authority of the Interagency Cooperation Act, certain facilities situated at Pyote Air Force Base, in Ward County, Texas (same being located in Block 16, University Lands). The Texas Youth Commission is authorized to pay to The University of Texas as rental for such a lease a sum not to exceed $10.00 per year.

3. **Appropriation of Other Agency Funds.** Any unexpended balances remaining in Independent School District Funds (not to exceed $155,000), the Student Benefit Fund (not to exceed $250,000), the Canteen Revolving Funds (not to exceed $7,500), and the Conference Account (not to exceed $3,500), and any gifts, grants, and donations as of August 31, 2003, and August 31, 2004 (estimated to be $247,000 per year), and any revenues accruing to those funds are appropriated to those funds for the succeeding fiscal years. Funds collected by vocational training shops at Texas Youth Commission institutions, including unexpended balances as of August 31, 2003 (not to exceed $35,000), are hereby appropriated for the purpose of purchasing and maintaining parts, tools, and other supplies necessary for the operation of those shops.

4. **Revolving Funds.** The Texas Youth Commission may establish out of any funds appropriated herein a revolving fund not to exceed $10,000 in the Central Office, and $10,000 in each institution, field office, or facility under its direction. Payments from these revolving funds may be made as directed by the commission. Reimbursement to such revolving funds shall be made out of appropriations provided for in this Article.

5. **Student Employment.** Subject to the approval of the Texas Youth Commission, students residing in any Texas Youth Commission facility may be assigned necessary duties in the operations of the facility and be paid on a limited basis out of any funds available to the respective institutions or facility not to exceed $50,000 a year for each institution and $10,000 a year for any other facility.

6. **Support Payment Collections.** The Texas Youth Commission shall annually report to the Governor and to the Legislative Budget Board the number of active accounts, including the amounts owed to the state pursuant to the Texas Family Code, § 54.06(a) court orders, and the total amount of funds collected.

7. **Federal Foster Care Claims.** Within the appropriations made above, the Texas Department of Protective and Regulatory Services, the Texas Youth Commission, and the Texas Juvenile Probation Commission shall document possible foster care claims for children in juvenile justice programs and maintain an interagency agreement to implement strategies and responsibilities necessary to claim additional federal foster care funding; and consult with juvenile officials from other states and national experts in designing better foster care funding initiatives.

8. **Employee Medical Care.** Appropriations made in this Act for the Texas Youth Commission not otherwise restricted in use may also be expended to provide medical attention by medical staff and infirmaries at Texas Youth Commission facilities, or to pay necessary medical expenses, including the cost of broken eyeglasses and other health aids, for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.

9. **Fire Prevention and Safety.** In instances in which regular employees of facilities operated by the Texas Youth Commission are assigned extra duties on fire prevention teams or on special tactics and response teams, supplementary payments, not to exceed $125 per month for team leaders and $100 per month for team members, are authorized in addition to the salary rates stipulated by the provisions of Article IX of this Act relating to the position classifications and assigned salary ranges.

10. **Charges to Employees and Guests.**

    a. Collections for services rendered Texas Youth Commission employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

    b. As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the Texas Youth Commission may provide free meals for food service personnel and volunteer workers and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

11. **Specialized Treatment Report.** The Texas Youth Commission shall, in its annual report, provide an assessment of the effectiveness of specialized treatment, emphasizing re-arrest rates of offenders receiving treatment.

12. **Salaries, Education Professionals.**

    a. Each principal, supervisor, and classroom teacher employed in an institution operated by the Texas Youth Commission shall receive a monthly salary to be computed as follows: The applicable monthly salary rate specified in § 21.402, Texas Education Code, as amended, shall be multiplied by ten to arrive at a ten month salary rate. Such rate shall be divided by the number of days required in § 21.401, Texas Education Code, for 10-month employees, and the resulting daily rate shall be multiplied by the number of on-duty days required of Texas Youth Commission educators, resulting in the adjusted annual salary. The adjusted annual salary is to be divided by 12 to arrive at the monthly rate. Salary rates for educational aides commencing employment before September 1, 1999, shall be calculated in the same manner, using 60 percent of the salary rate specified in § 21.402, Texas Education Code.

    b. The Texas Youth Commission may authorize salary rates at amounts above the adjusted annual salary determined in the preceding formula, but such rates, including longevity for persons commencing employment on September 1, 1983, or thereafter, and excluding hazardous duty pay, shall never exceed the rates of pay for like positions paid in the public schools of the city in which the Texas Youth Commission institution is located. Any authorized local increments will be in addition to adjusted annual salaries.

    c. There is hereby appropriated to the Texas Youth Commission from any unexpended balances on hand as of August 31, 2004, funds necessary to meet the requirements of this section in fiscal year 2005 in the event adjustments are made in the salary rates specified in the Texas Education Code or in salary rates paid by the public schools where Texas Youth Commission facilities are located.

13. **State-owned Housing Authorized.** As of September 1, 1998, the chief superintendent, assistant superintendent and the director of security are authorized to live in state-owned housing at a rate determined by the commission. Notwithstanding general provisions of this Act, commission employees first employed at the Sheffield Boot Camp and West Texas State School on or after September 1, 1999, are authorized to live in state-owned housing at the same rate as persons employed prior to September 1, 1999. Other commission employees may live in state-owned housing as set forth in Article IX, § 11.09, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

14. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Youth Commission may transfer appropriations in an amount not to exceed $9.8 million made for fiscal year 2005 to fiscal year 2004 subject to the following conditions provided by this section:

    a. Transfers under this section may be made only if (1) juvenile correctional populations exceed appropriated areas of daily population targets or (2) for any other emergency expenditure, including expenditures necessitated by public calamity.

    b. A transfer authorized by this section must receive prior approval from the Governor and the Legislative Budget Board.

    c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending under this section.

15. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation, and appropriate assessment of the offender prior to release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004–05 biennium with the Texas Youth Commission at no less than the level maintained as of August 31, 2003.

16. **Training for GED and Reading Skills.** It is the intent of the Legislature that the Texas Youth Commission, to the extent possible, use funds appropriated above in Strategy B.1.1, Education and Workforce Programs, to prioritize reading at grade level and preparation for the GED in its educational program. A report containing statistical information regarding student performance on the Test of Adult Basic Education (TABE) shall be submitted to the Legislative Budget Board and the Governor on or before December 1, 2004.

17. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Youth Commission is authorized to adjust salaries of Juvenile Correctional Officers I, Juvenile Correctional Officers II, Juvenile Correctional Officers III, Juvenile Correctional Officers IV, Juvenile Correctional Officers V, and Juvenile Correctional Officers VI to rates within the designated salary group for the purpose of recruiting, employing and retaining career juvenile correctional personnel. Merit raises are prohibited for all Juvenile Correctional Officers who are receiving or are eligible to receive step adjustments in the career ladder system.

18. **Human Resources Management Plan.** From funds appropriated above, the Texas Youth Commission shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Youth Commission shall report, by October 1 of each year of the biennium, to the Legislative Budget Board and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for juvenile correctional officers.

19. **Unexpended Balances.** Unobligated balances (estimated to be $8,985,387 in General Obligation Bonds) as of August 31, 2003, in appropriations made by Senate Bill 1, Acts of the Seventy-seventh Legislature, Regular Session, 2001, as identified in Article V, § 1, Capital Budget, and House Bill 1, Acts of the Seventy-sixth Legislature, Regular Session, 1999, as identified in Article V, § 1, Capital Budget, are reappropriated for the identical purposes for the biennium beginning September 1, 2003.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS<br>Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 97,322,071 | $ 90,104,058 |
| **A.1.2. Strategy:** GROUP INSURANCE<br>Provide a basic health care and life insurance program for general state employees. Estimated. | $ 276,426,105 | $ 278,627,583 |
| **A.1.3. Strategy:** PUBLIC SAFETY BENEFITS<br>Provide for the payment of death benefits to beneficiaries of public safety personnel as required by Section 615, Government Code. Estimated. | $ 5,479,902 | $ 5,479,902 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 379,228,078 | $ 374,211,543 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 379,228,078 | $ 374,211,543 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 317,615,171 | $ 313,371,553 |
| General Revenue Dedicated Accounts, estimated | 6,890,868 | 6,792,944 |
| State Highway Fund No. 006, estimated | 52,100,224 | 51,467,509 |
| Federal Funds, estimated | 2,425,335 | 2,383,057 |
| Other Special State Funds, estimated | 196,480 | 196,480 |
| **Total, Method of Financing** | $ 379,228,078 | $ 374,211,543 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 122,157,956 | $ 123,165,039 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 22,767,158 | $ 21,606,033 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 144,925,114 | $ 144,771,072 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 144,925,114 | $ 144,771,072 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 120,354,480 | $ 120,181,604 |
| General Revenue Dedicated Accounts, estimated | 2,343,338 | 2,337,263 |
| State Highway Fund No. 006, estimated | 20,817,014 | 20,836,428 |
| Federal Funds, estimated | 979,808 | 980,999 |
| Other Special State Funds, estimated | 430,474 | 434,778 |
| **Total, Method of Financing** | $ 144,925,114 | $ 144,771,072 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE<br>Make general obligation bond debt service payments in compliance with bond covenants. | $ 223,746,467 | $ 229,298,957 & UB |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ 223,746,467 | $ 229,298,957 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 223,432,194 | $ 229,083,557 |
| Current Fund Balance | 314,273 | 215,400 |
| **Total, Method of Financing** | $ 223,746,467 | $ 229,298,957 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | |
| **A.1.1. Strategy:** LEASE PAYMENTS | $ 2,024,059 | $ 2,025,708 & UB |
| Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | | |
| **Grand Total,** LEASE PAYMENTS | $ 2,024,059 | $ 2,025,708 |

## SPECIAL PROVISIONS RELATING TO PUBLIC SAFETY AND CRIMINAL JUSTICE AGENCIES

Sec. 2. **Authorization to Receive, Administer, and Disburse Federal Crime Funds.** Out of funds appropriated above, the Texas Department of Criminal Justice, the Texas Juvenile Probation Commission, and the Texas Youth Commission, may allocate matching funds in order to secure federal grants for the construction, expansion, renovation, and operation of correctional facilities and services, as authorized by federal legislation. These agencies are authorized to receive and disburse, in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available to the state for programs, projects, or services that otherwise could not be funded or undertaken without the receipt of such funding. Such federal funds are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. At least 14 days prior to any expenditure of such federal funds, documentation of the proposed use of the funds shall be provided to the Legislative Budget Board and the Governor.

Sec. 3. **Purchase of TDCJ Products**. It is the intent of the Legislature that state public safety and criminal justice agencies use products produced by the Texas Department of Criminal Justice to the greatest extent possible when either renovating existing facilities or constructing new facilities.

Sec. 4. **Prioritization of DNA Samples.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ) prioritize the drawing of blood samples from inmates for the purpose of having these samples processed for DNA information needed for entry into the Department of Public Safety's (DPS) DNA database. The factors to be weighed by TDCJ shall include the severity of the offense, and the proximity to the time of release for the offender. It is also the intent of the Legislature that DPS prioritize any samples received prior to this Act taking effect with assistance from TDCJ using the above mentioned factors. At any time, DPS may request that TDCJ prioritize any particular sample for drawing and shipping to DPS, if DPS has information to the effect that the sample may provide evidence vital to a criminal investigation or judicial proceeding.

## RECAPITULATION - ARTICLE V
## PUBLIC SAFETY AND CRIMINAL JUSTICE
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Adjutant General's Department | $ 12,436,271 | $ 11,952,598 |
| Alcoholic Beverage Commission | 29,750,828 | 29,038,533 |
| Contingency Appropriations | 0 | 509,110 |
| Total | 29,750,828 | 29,547,643 |
| Department of Criminal Justice | 2,310,398,131 | 2,312,977,166 |
| Criminal Justice Policy Council | 1,251,110 | 1,251,110 |
| Commission on Fire Protection | 2,782,128 | 2,782,128 |
| Commission on Jail Standards | 835,511 | 835,510 |
| Juvenile Probation Commission | 92,953,936 | 92,954,482 |
| Texas Military Facilities Commission | 2,043,957 | 1,093,823 |
| Department of Public Safety | 5,796,925 | 5,796,925 |
| Youth Commission | 216,554,653 | 219,331,911 |
| Subtotal, Public Safety and Criminal Justice | $ 2,674,803,450 | $ 2,678,523,296 |
| Retirement and Group Insurance | 317,615,171 | 313,371,553 |
| Social Security and Benefit Replacement Pay | 120,354,480 | 120,181,604 |
| Subtotal, Employee Benefits | $ 437,969,651 | $ 433,553,157 |
| Bond Debt Service Payments | 223,432,194 | 229,083,557 |
| Lease Payments | 2,024,059 | 2,025,708 |
| Subtotal, Debt Service | $ 225,456,253 | $ 231,109,265 |
| TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE | $ 3,338,229,354 | $ 3,343,185,718 |

## RECAPITULATION - ARTICLE V
## PUBLIC SAFETY AND CRIMINAL JUSTICE
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Criminal Justice | $ 3,232,941 | $ 3,232,941 |
| Commission on Law Enforcement Officer Standards and Education | 2,628,681 | 2,629,592 |
| Department of Public Safety | 25,640,989 | 25,358,899 |
| Rider Appropriations | 2,000,000 | 0 |
| Total | 27,640,989 | 25,358,899 |
| Subtotal, Public Safety and Criminal Justice | $ 33,502,611 | $ 31,221,432 |
| Retirement and Group Insurance | 6,890,868 | 6,792,944 |
| Social Security and Benefit Replacement Pay | 2,343,338 | 2,337,263 |
| Subtotal, Employee Benefits | $ 9,234,206 | $ 9,130,207 |
| TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE | $ 42,736,817 | $ 40,351,639 |

## RECAPITULATION - ARTICLE V
## PUBLIC SAFETY AND CRIMINAL JUSTICE
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Adjutant General's Department | $ 23,114,900 | $ 23,124,900 |
| Department of Criminal Justice | 33,481,241 | 33,529,287 |
| Juvenile Probation Commission | 30,000,000 | 30,000,000 |
| Texas Military Facilities Commission | 586,986 | 4,793,268 |
| Department of Public Safety | 15,818,311 | 15,818,311 |
| Rider Appropriations | 6,500,000 | 7,600,000 |
| Total | 22,318,311 | 23,418,311 |
| Youth Commission | 14,582,964 | 11,546,960 |
| Subtotal, Public Safety and Criminal Justice | $ 124,084,402 | $ 126,412,726 |
| Retirement and Group Insurance | 2,425,335 | 2,383,057 |
| Social Security and Benefit Replacement Pay | 979,808 | 980,999 |
| Subtotal, Employee Benefits | $ 3,405,143 | $ 3,364,056 |
| TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE | $ 127,489,545 | $ 129,776,782 |

## RECAPITULATION - ARTICLE V
## PUBLIC SAFETY AND CRIMINAL JUSTICE
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Adjutant General's Department | $ 420,421 | $ 420,421 |
| Rider Appropriations | 500,000 | 0 |
| Total | 920,421 | 420,421 |
| Alcoholic Beverage Commission | 564,963 | 564,962 |
| Department of Criminal Justice | 74,849,584 | 68,249,584 |
| Rider Appropriations | 71,900,000 | 0 |
| Total | 146,749,584 | 68,249,584 |
| Commission on Fire Protection | 30,400 | 30,400 |
| Commission on Jail Standards | 58,000 | 58,000 |
| Juvenile Probation Commission | 8,500,000 | 8,500,000 |
| Commission on Law Enforcement Officer Standards and Education | 82,000 | 82,000 |
| Texas Military Facilities Commission | 13,914,672 | 9,128,129 |
| Department of Public Safety | 344,224,823 | 342,721,612 |
| Rider Appropriations | 3,061,338 | 0 |
| Total | 347,286,161 | 342,721,612 |
| Youth Commission | 16,296,762 | 12,131,659 |
| Rider Appropriations | 9,683,387 | 698,000 |
| Total | 25,980,149 | 12,829,659 |
| Subtotal, Public Safety and Criminal Justice | $ 544,086,350 | $ 442,584,767 |
| Retirement and Group Insurance | 52,296,704 | 51,663,989 |
| Social Security and Benefit Replacement Pay | 21,247,488 | 21,271,206 |
| Subtotal, Employee Benefits | $ 73,544,192 | $ 72,935,195 |
| Bond Debt Service Payments | 314,273 | 215,400 |
| Subtotal, Debt Service | $ 314,273 | $ 215,400 |
| Less Interagency Contracts | $ 74,406,762 | $ 72,114,953 |
| TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE | $ 543,538,053 | $ 443,620,409 |

# RECAPITULATION - ARTICLE V
# PUBLIC SAFETY AND CRIMINAL JUSTICE
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Adjutant General's Department | $ 35,971,592 | $ 35,497,919 |
| Rider Appropriations | 500,000 | 0 |
| Total | 36,471,592 | 35,497,919 |
| Alcoholic Beverage Commission | 30,315,791 | 29,603,495 |
| Contingency Appropriations | 0 | 509,110 |
| Total | 30,315,791 | 30,112,605 |
| Department of Criminal Justice | 2,421,961,897 | 2,417,988,978 |
| Rider Appropriations | 71,900,000 | 0 |
| Total | 2,493,861,897 | 2,417,988,978 |
| Criminal Justice Policy Council | 1,251,110 | 1,251,110 |
| Commission on Fire Protection | 2,812,528 | 2,812,528 |
| Commission on Jail Standards | 893,511 | 893,510 |
| Juvenile Probation Commission | 131,453,936 | 131,454,482 |
| Commission on Law Enforcement Officer Standards and Education | 2,710,681 | 2,711,592 |
| Texas Military Facilities Commission | 16,545,615 | 15,015,220 |
| Department of Public Safety | 391,481,048 | 389,695,747 |
| Rider Appropriations | 11,561,338 | 7,600,000 |
| Total | 403,042,386 | 397,295,747 |
| Youth Commission | 247,434,379 | 243,010,530 |
| Rider Appropriations | 9,683,387 | 698,000 |
| Total | 257,117,766 | 243,708,530 |
| Subtotal, Public Safety and Criminal Justice | $ 3,376,476,813 | $ 3,278,742,221 |
| Retirement and Group Insurance | 379,228,078 | 374,211,543 |
| Social Security and Benefit Replacement Pay | 144,925,114 | 144,771,072 |
| Subtotal, Employee Benefits | $ 524,153,192 | $ 518,982,615 |
| Bond Debt Service Payments | 223,746,467 | 229,298,957 |
| Lease Payments | 2,024,059 | 2,025,708 |
| Subtotal, Debt Service | $ 225,770,526 | $ 231,324,665 |
| Less Interagency Contracts | $ 74,406,762 | $ 72,114,953 |
| TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE | $ 4,051,993,769 | $ 3,956,934,548 |
| Number of Full-Time-Equivalent Positions (FTE) | 54,534.4 | 54,634.7 |

# ARTICLE VI

# NATURAL RESOURCES

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

## DEPARTMENT OF AGRICULTURE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** MARKETS & PUBLIC HEALTH | | |
| To enable Texas farmers, ranchers and agribusinesses to expand profitable markets for their agricultural products while protecting public health and our natural resources. | | |
| **Outcome (Results/Impact):** | | |
| Percent Increase from the 1996 Level in the Number of Marketing Opportunities for Texas Farmers, Ranchers and Agribusinesses | 95.3% | 101.1% |
| Percent Reduction from the 1994 Level in the Number of Pesticide-related Violations | 7% | 7% |
| Percent of Communities Assisted | 85% | 85% |
| **A.1.1. Strategy:** GENERATE MARKETS | $ 13,346,165 | $ 9,712,229 |
| Generate marketing opportunities for Texas farmers, ranchers and agribusinesses. | | |
| **Output (Volume):** | | |
| Number of Acres Inspected for Seed Certification | 190,000 | 190,000 |
| Number of Rural Communities Assisted | 680 | 680 |
| Rural Development Activities and Events Held | 120 | 120 |
| Businesses Developed as Expansion and Recruitment Prospects in Rural Texas | 1,300 | 1,300 |
| **A.1.2. Strategy:** REGULATE PESTICIDE USE | $ 6,089,938 | $ 6,089,938 |
| Regulate pesticide use through registration, certification, education and enforcement. | | |
| **Output (Volume):** | | |
| Number of Pesticide Complaint Investigations Conducted | 225 | 225 |
| **A.1.3. Strategy:** INTEGRATED PEST MANAGEMENT | $ 24,583,911 | $ 24,583,911 |
| Assist farmers with integrated pest management practices to reduce pesticide use. | | |
| **Output (Volume):** | | |
| Hours Spent Informing Producers and Surveying Cotton for Compliance with Cotton Stalk Destruction Deadlines | 12,500 | 12,500 |
| Number of Inspections to Verify Compliance for Organic or Other Crop Production Certification Programs | 1,320 | 1,320 |
| **A.1.4. Strategy:** CERTIFY PRODUCE | $ 257,314 | $ 257,314 |
| Certify fruits, vegetables, peanuts and nuts to enhance their marketability. | | |
| **Output (Volume):** | | |
| Number of Pounds of Fruits, Vegetables, Peanuts and Nuts Inspected (In Billions) | 3.1 | 3.1 |
| **Total, Goal A:** MARKETS & PUBLIC HEALTH | $ 44,277,328 | $ 40,643,392 |
| **B. Goal:** ENFORCE STANDARDS | | |
| To protect consumers by establishing and enforcing standards for agricultural commodities. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Seed Samples Found to Be in Full Compliance with State and Federal Standards | 97% | 97% |
| **B.1.1. Strategy:** NURSERY/FLORAL REGULATION | $ 2,362,111 | $ 2,362,111 |

| | | | | |
|---|---|---|---|---|
| Inspect and register nursery and floral production and retail outlets. | | | | |
| **Output (Volume):** | | | | |
| Number of Nursery and Floral Establishment Inspections Conducted | | 11,500 | | 11,500 |
| **B.1.2. Strategy:** VERIFY SEED QUALITY | $ | 2,063,125 | $ | 2,063,125 |
| Verify that farmers, ranchers and home gardeners receive the quality and type of seeds desired. | | | | |
| **Output (Volume):** | | | | |
| Number of Seed Samples Analyzed | | 20,500 | | 20,500 |
| **B.1.3. Strategy:** AGRICULTURAL COMMODITY REGULATION | $ | 1,229,546 | $ | 1,204,546 |
| Regulate agricultural commodities through verification, licensing, inspection and enforcement of state standards for eggs, grain warehouses, perishables and other agricultural commodities. | | | | |
| **Output (Volume):** | | | | |
| Number of Egg Packer, Dealer, Wholesaler, and Retailer Inspections Conducted | | 2,000 | | 2,000 |
| Number of Grain Warehouse Inspections, Re-inspections and Audits Conducted | | 395 | | 395 |
| **Total, Goal B:** ENFORCE STANDARDS | $ | 5,654,782 | $ | 5,629,782 |
| **C. Goal:** ENSURE PROPER MEASUREMENT | | | | |
| To increase the likelihood that goods offered for sale to Texas consumers are properly measured, priced and marketed. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Total Weights and Measures Inspections Conducted That Are Found to Be in Full Compliance with State and Federal Standards | | 96% | | 96% |
| **C.1.1. Strategy:** INSPECT MEASURING DEVICES | $ | 3,398,373 | $ | 3,169,517 |
| Inspect weighing and measuring devices and remove inaccurately measured, priced or marketed goods from sale. | | | | |
| **Output (Volume):** | | | | |
| Number of Weights and Measures Inspections Conducted | | 100,000 | | 100,000 |
| **Grand Total,** DEPARTMENT OF AGRICULTURE | $ | 53,330,483 | $ | 49,442,691 |

**Method of Financing:**

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 45,571,747 | $ | 45,685,848 |
| Earned Federal Funds | | 371,162 | | 371,162 |
| Subtotal, General Revenue Fund | $ | 45,942,909 | $ | 46,057,010 |
| General Revenue Fund - Dedicated | | | | |
| Young Farmer Loan Guarantee Account No. 5002 | | 106,209 | | 106,209 |
| GO TEXAN Partner Program Account No. 5051 | | 2,070,906 | | 70,906 |
| Subtotal, General Revenue Fund - Dedicated | $ | 2,177,115 | $ | 177,115 |
| Federal Funds | | 1,479,025 | | 1,479,025 |

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Farm and Ranch Finance Program Fund Account No. 575 | | 81,835 | | 81,835 |
| Appropriated Receipts | | 2,288,324 | | 286,551 |
| Texas Agricultural Fund No. 683 | | 266,275 | | 266,155 |
| Interagency Contracts | | 1,095,000 | | 1,095,000 |
| Subtotal, Other Funds | $ | 3,731,434 | $ | 1,729,541 |
| **Total, Method of Financing** | $ | 53,330,483 | $ | 49,442,691 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 504.5 | | 504.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner of Agriculture, Group 4 | | $92,217 | | $92,217 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 19,646,960 | $ | 19,804,011 |
| Other Personnel Costs | | 862,747 | | 862,747 |
| Operating Costs | | 6,072,485 | | 4,038,372 |
| Professional Fees and Services | | 9,899 | | 9,899 |
| Fuels and Lubricants | | 15,000 | | 15,000 |
| Consumable Supplies | | 3,431 | | 3,431 |
| Travel | | 38,064 | | 38,064 |
| Other Operating Expense | | 395,441 | | 395,441 |
| Grants | | 25,248,500 | | 23,248,500 |
| Capital Expenditures | | 1,037,956 | | 1,027,226 |
| **Total, Object-of-Expense Informational Listing** | $ | 53,330,483 | $ | 49,442,691 |

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items as listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | | | |
| (1) Export Pen Maintenance/Repairs | $ | 200,000 | $ | 0 |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Computer equipment and software | | 165,000 | | 165,000 & UB |
| c. Transportation Items | | | | |
| (1) Replacement Fleet Vehicles | | 337,500 | | 337,500 |
| d. Acquisition of Capital Equipment and Items | | | | |
| (1) Octane Analyzers | | 40,000 | | 40,000 |
| e. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Lease Payments 2004-05 | | 155,775 | | 155,500 |
| Total, Capital Budget | $ | 898,275 | $ | 698,000 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 742,500 | $ | 542,500 |
| Appropriated Receipts | | 155,775 | | 155,500 |
| Total, Method of Financing | $ | 898,275 | $ | 698,000 |

2. **Appropriation: Land Donations.** The Department of Agriculture is hereby authorized to lease and/or accept the donation of land or the use of land from either governmental agencies, private firms, corporations, or individuals to be used in connection with the performance of its various responsibilities and programs.

3. **Appropriation: Publication Fees.** The department is hereby appropriated any subscription fees, royalties, advertising revenues, or charges collected for publications, services or products produced by the department, subject to any restrictions on publications fee appropriations contained elsewhere in this Act.

4. **Fee Increase Authority and Limitation.** For the purpose of implementing the intent of the Legislature, that the department collect fee amounts which offset, when feasible, the direct and indirect costs of administering its regulatory activities, the department is hereby authorized to and shall increase the fees by a percentage sufficient to offset costs associated with its regulatory activities. It is the intent of the Legislature that the cost offset percentage shall be 100 percent. The following activities are exempt from this requirement: Seed Testing, Quarantine Enforcement/Education; Piece Rate Crop Survey; Pest Management Program; Agriculture Hazard Communication Act; Boll Weevil Control Act; Predatory Management Program.

5. **Pay for Regular Compensatory Time: Livestock Export Pen Operations.** It is expressly provided that the Department of Agriculture, to the extent permitted by law, may pay FLSA nonexempt employees in classified positions who are stationed at Department of Agriculture livestock export pens for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal working activities and other critical functions relating to livestock export pen operations.

6. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Department of Agriculture is hereby authorized to direct agency resources, and transfer such amounts appropriated above between strategy line items.

7. **Appropriation: Young Farmer Loan Guarantee Program.** Out of the Young Farmer Loan Guarantee Account No. 5002, the Texas Agricultural Finance Authority is hereby appropriated for fiscal years 2004 and 2005, all necessary amounts required to cover any defaults on loans referenced under § 58.055, Texas Agriculture Code, or for payments for the purpose of providing reduced interest rates on loans guaranteed to borrowers as authorized by § 58.052(e), Texas Agriculture Code.

8. **Appropriation: Earned Federal Funds.** The Department of Agriculture is hereby appropriated all earned federal funds received during the biennium beginning with the effective date of this Act that are in addition to those earned federal funds specified in the method of financing above.

9. **Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Department of Agriculture are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

10. **Appropriations Limited to Revenue Collections: Octane Testing.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, the amount of $355,137 from the General Revenue Fund (Revenue Object Code 3015) in each fiscal year of the biennium is contingent on the collection of fees, in accordance with Article 8614, § 9, Vernon's Texas Civil Statutes, to be used solely for the purpose of administering an octane testing program.

11. **Appropriations: License Plate Receipts.** Included in the amounts appropriated above in Strategy A.1.1, Generate Markets, are estimated balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2003, from the sale of license plates as provided by Transportation Code § 502.2761 (estimated to be $60,000 each fiscal year of the biennium). All additional balances and receipts in the GO TEXAN Partner Program Account No. 5051 from the license plates revenue are hereby appropriated to the Department of Agriculture for the 2004–05 biennium.

    Any unexpended balances as of August 31, 2004, out of the appropriations made herein are appropriated to the Department of Agriculture for the fiscal year beginning September 1, 2004.

12. **Interagency Contract: Oyster Promotions and Education.** Contingent upon sufficient funds in the Oyster Sales Account No. 5022, the Texas Department of Agriculture shall enter into an interagency contract with the Texas Department of Health for oyster industry advertising and promotion efforts and to provide information, education and/or training to wholesalers, retailers, and consumers on the safe and proper handling of oysters, in accordance with Texas Agriculture Code, § 47.

13. **Capital Construction of Metrology Laboratory.** Included in the amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, are amounts required in each of fiscal year 2004 and 2005 to pay lease payments to the Texas Public Finance Authority sufficient for the Authority to make debt service payments of the revenue bonds or other revenue obligations for construction of a metrology lab. The amount of the required lease payments are estimated to be $155,775 in fiscal year 2004 and $155,500 in fiscal year 2005.

    It is the intent of the Legislature that the Texas Department of Agriculture set fees for the metrology program to recover an amount equal to the amount of the appropriations made herein for lease payments, and that the fee rate be maintained in such an amount during the term of any revenue obligations authorized herein.

14. **Appropriation: GO TEXAN Partner Program.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy A.1.1, Generate Markets, is $2,000,000 out of the GO TEXAN Partner Program Account No. 5051 in fiscal year 2004, for the purpose of promoting Texas agricultural products. This amount consists of $2,000,000 in General Revenue Funds to be transferred to the GO TEXAN Partner Program Account No. 5051.

    Also included in amounts appropriated above, the Texas Department of Agriculture is appropriated $2,000,000 in Appropriated Receipts received as matching funds from program participants including gifts. All appropriations shall be transferred to the GO TEXAN Partner Program Account No. 5051 and are appropriated for the purpose of administering the program.

15. **Contingency to Increase the Full-time Equivalent (FTE) Cap for New Initiatives.** Contingent upon the receipt of federal funds above those appropriated herein for programs related to surveying, controlling or eradicating invasive pests or disease, the Department of Agriculture is hereby authorized to increase its number of FTEs to the extent that federal funds are allocated for salary costs. These FTEs shall not be counted in the agency's "Number of Full-Time Equivalent Positions (FTE)" cap.

The Department of Agriculture shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, Legislative Budget Board and the Governor prior to filling such positions.

16. **Appropriations Limited to Revenue Collections: Prescribed Burn Manager Certification Program.** In addition to amounts appropriated above, the Texas Department of Agriculture is hereby appropriated fees collected in accordance with § 153.048, Natural Resources Code, to be used solely for the purpose of administering a prescribed burn manager certification program.

17. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, § 2110.004 reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the Texas Oyster Advisory Committee.

18. **Agricultural Sustainability Programs.** Out of funds appropriated above, the Texas Department of Agriculture may study, develop, and implement, creative technology and innovative solutions to mitigate agricultural non-point source pollution in the state from confined animal feeding operations and improve total resource management of agricultural and wildlife resources in the state.

19. **Texas Capital Fund.** All grants awarded by the Texas Department of Agriculture for infrastructure development and real estate development under the federal Community Development Block Grant Program shall be distributed with a priority on assisting manufacturers and value-added processors. To the greatest extent practicable, these funds are to be distributed equitably to all regions of this state.

20. **Appropriation of Receipts: Yardage Fees.** Fifty percent of the total amount of yardage fee revenue collected by the Texas Department of Agriculture in each fiscal year, pursuant to the Agriculture Code, Sec. 146.021, is hereby appropriated to the department for fiscal years 2004 and 2005, for the purpose of paying livestock export facility lease and maintenance expenses. The remaining fifty percent of the total yardage fee revenue collected in each fiscal year shall be transferred to the unobligated portion of the General Revenue Fund and is not subject to appropriation by this provision or by Article IX of this Act. Amounts appropriated pursuant to this provision are included above in Strategy A.1.1, Generate Markets, and are identified above in the method of finance as General Revenue in an estimated amount not to exceed $200,000 for each fiscal year.

    Included in the amounts appropriated above are any unexpended and unobligated balances remaining as of August 31, 2003, for the same purposes for the biennium beginning September 1, 2003, not to exceed $42,950 out of General Revenue in Strategy A.1.1, Generate Markets.

21.. **Limitation on Scanner Inspections.** Funds herein appropriated to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices for the inspection of scanners may only be used for scanner inspection in response to consumer complaints.

22. **Gas Meter Inspection.** The funds appropriated above to Strategy C.1.1, Inspect Measuring Devices shall be used for the inspection of liquefied petroleum gas meters as authorized by Agriculture Code § 13.305 once every four years.

23. **Contingency Reduction to Appropriations: Transfer of Functions and Appropriations of the Soil and Water Conservation Board.** Contingent upon passage of Senate Bill 1828, or similar legislation relating to the transfer of powers, duties, property, obligations and appropriations from the Soil and Water Conservation Board to the Department of Agriculture effective September 1, 2003, it is in the intent of the Legislature that the Department of

Agriculture shall generate savings by reducing appropriations out of General Revenue Funds by $1,067,195 in 2004 and $1,067,196 in 2005. In addition, the number of FTEs shall be reduced by 11.5 in 2004 and 23 in 2005.

The Department of Agriculture shall report the savings amounts and FTE reductions by strategy to the Legislative Budget Board, the Governor's Office and Comptroller of Public Accounts by September 1, 2003 and the Comptroller shall make reductions to the appropriations out of the General Revenue Fund not later than October 1, 2003.

## ANIMAL HEALTH COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROTECT/ENHANCE TEXAS ANIMAL HEALTH<br>To protect and enhance the health of Texas animal populations, facilitating productivity and marketability while sustaining reduced human health risks. | | |
| **Outcome (Results/Impact):** | | |
| Percent Change in Known Prevalence of Bovine Brucellosis from the 1994 Level | (99.57)% | (100)% |
| **A.1.1. Strategy:** FIELD OPERATIONS<br>To monitor, control and/or eradicate diseases and infestations through statewide field based animal health management and assurance programs. | $ 8,000,732 | $ 7,978,112 |
| **Output (Volume):** | | |
| Number of Livestock Shipments Inspected | 7,700 | 8,250 |
| **A.1.2. Strategy:** DIAGNOSTIC/EPIDEMIOLOGICAL SUPPORT<br>To provide epidemiological expertise, serological testing, microbiological confirmation and parasite identification services for diseases and parasitisms of regulatory importance to the animal agriculture industries in Texas. | $ 1,574,018 | $ 1,574,018 |
| **Output (Volume):** | | |
| Number of Specimens Processed through the State/Federal Cooperative Laboratory System | 2,500,000 | 2,500,000 |
| **A.1.3. Strategy:** PROMOTE COMPLIANCE<br>To promote voluntary compliance with legal requirements through providing education/information, and to resolve violations through effective use of legal enforcement and compliance activities. | $ 302,342 | $ 302,342 |
| **Output (Volume):** | | |
| Number of Compliance Actions Completed | 274 | 274 |
| **Total, Goal A:** PROTECT/ENHANCE TEXAS ANIMAL HEALTH | $ 9,877,092 | $ 9,854,472 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** CENTRAL ADMINISTRATION | $ 1,079,496 | $ 1,075,696 |

## ANIMAL HEALTH COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** INFORMATION RESOURCES | $ | 286,969 | $ | 286,969 |
| **B.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 306,241 | $ | 306,241 |
| **Total, Goal B:** INDIRECT ADMINISTRATION | $ | 1,672,706 | $ | 1,668,906 |
| **Grand Total,** ANIMAL HEALTH COMMISSION | $ | 11,549,798 | $ | 11,523,378 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 8,378,391 | $ | 8,378,391 |
| Earned Federal Funds | | 106,313 | | 106,313 |
| Subtotal, General Revenue Fund | $ | 8,484,704 | $ | 8,484,704 |
| Federal Funds | | 3,065,094 | | 3,038,674 |
| **Total, Method of Financing** | $ | 11,549,798 | $ | 11,523,378 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 188.0 | | 188.0 |
| **Number of FTEs in Riders:** | | 11.0 | | 11.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $87,500 | | $87,500 |
| Per Diem of Board Members | | 2,500 | | 2,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,796,705 | $ | 6,796,705 |
| Other Personnel Costs | | 282,569 | | 282,569 |
| Professional Fees and Services | | 38,768 | | 34,968 |
| Fuels and Lubricants | | 10,789 | | 10,789 |
| Consumable Supplies | | 507,982 | | 507,982 |
| Utilities | | 204,216 | | 204,216 |
| Travel | | 725,602 | | 725,602 |
| Rent - Building | | 353,305 | | 353,305 |
| Rent - Machine and Other | | 45,047 | | 45,047 |
| Other Operating Expense | | 2,584,815 | | 2,562,195 |
| **Total, Object-of-Expense Informational Listing** | $ | 11,549,798 | $ | 11,523,378 |

1. **Unexpended Balance Authority: Between Fiscal Years within the Biennium.** The Texas Animal Health Commission is hereby authorized to carry forward and is hereby appropriated any unexpended balances from fiscal year 2004 to fiscal year 2005.

2. **Laboratory Testing.** It is the intent of the Legislature that laboratory testing for animal diseases be performed at the Texas Veterinary Medical Diagnostic Lab (TVMDL) to the extent of its capabilities, unless the Texas Animal Health Commission (TAHC) State-Federal Laboratory can perform the testing for TAHC programs more cost effectively. Furthermore, the Texas Animal Health Commission will work with TVMDL to reduce duplication and ensure that all testing is performed in Texas to the extent possible.

3. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Tuberculosis Eradication Program.** Contingent upon the receipt of Federal Funds for the tuberculosis eradication program, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the tuberculosis eradication program are allocated for salary costs. The "Number of Full-Time Equivalent Positions (FTE)" cap is hereby increased by five FTEs each fiscal year.

The Animal Health Commission shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor prior to filling such positions.

4. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Exotic Newcastle Disease Program.** Contingent upon the receipt of Federal Funds for the Exotic Newcastle Disease program, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the Exotic Newcastle Disease program are allocated for salary costs. The "Number of Full-Time Equivalent Positions (FTE)" cap is hereby increased by six FTEs each fiscal year.

   The Animal Health Commission shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor prior to filling such positions.

## COMMISSION ON ENVIRONMENTAL QUALITY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ASSESSMENT, PERMITTING, PREVENTION To protect public health and the environment by accurately assessing environmental conditions; by preventing or minimizing the level of contaminants released to the environment through regulation and permitting of facilities or activities with potential to contribute to pollution levels; by promoting voluntary efforts to prevent pollution; and by assuring the delivery of safe drinking water to Texas citizens at affordable rates. | | |
| **Outcome (Results/Impact):** | | |
| Annual Percent of Stationary and Mobile Source Pollution Reductions in Nonattainment Areas | 6% | 6.1% |
| Nitrogen Oxides (NOx) Emissions Reduced through the Texas Emissions Reduction Plan (TERP) | 7.04 | 7.04 |
| Annual Percent Reduction in Pollution from Permitted Wastewater Facilities Discharging to the Waters of the State | .8% | .8% |
| Percent of Texas Surface Water Meeting or Exceeding Water Quality Standards | 86% | 86% |
| Annual Percent Reduction in Disposal of Municipal Solid Waste Per Capita | 1.5% | 1.5% |
| Annual Percent Decrease in the Toxic Releases in Texas | 3.6% | 3.6% |
| Percent of Texas Population Served by Public Water Systems Which Meet Drinking Water Standards | 95% | 97% |
| **A.1.1. Strategy:** AIR QUALITY PERMITTING Perform complete and timely reviews of applications to release pollutants into the air. | $ 12,382,668 | $ 12,460,636 |
| **Output (Volume):** | | |
| Number of State and Federal New Source Review Air Quality Permit Applications Reviewed | 5,600 | 5,600 |
| Number of Federal Air Quality Operating Permits Reviewed | 350 | 350 |
| **A.1.2. Strategy:** WATER RESOURCE PERMITTING Perform complete and timely reviews of applications to utilize the state's water resources or to discharge to the state's waterways. | $ 10,272,954 | $ 10,529,246 |
| **Output (Volume):** | | |

| | | | | |
|---|---|---|---|---|
| Number of Applications to Address Water Quality Impacts Reviewed | | 16,696 | | 17,130 |
| Number of Concentrated Animal Feeding Operation (CAFO) Permits Reviewed | | 90 | | 90 |
| **A.1.3. Strategy:** WASTE MGT AND PERMITTING | $ | 9,242,000 | $ | 8,965,478 |
| Perform complete and timely reviews of applications relating to management and disposal of municipal and industrial solid and hazardous waste. | | | | |
| **Output (Volume):** | | | | |
| Number of Nonhazardous Waste Permit Applications Reviewed | | 13 | | 13 |
| Number of Hazardous Waste Permit Applications Reviewed | | 135 | | 135 |
| **A.1.4. Strategy:** AIR QUALITY ASSESSMENT AND PLANNING | $ | 65,953,692 | $ | 66,747,545 |
| Reduce and prevent air pollution by monitoring and assessing air quality, developing and revising plans to address identified air quality problems, and assisting in the implementation of approaches to reduce motor vehicle emissions. | | | | |
| **Output (Volume):** | | | | |
| Number of Point Source Air Quality Assessments | | 2,050 | | 2,200 |
| Number of Area Source Air Quality Assessments | | 2,500 | | 2,500 |
| Number of Mobile Source Air Quality Assessments | | 1,250 | | 1,250 |
| Number of Tons of Nitrous Oxides Reduced Per Year through Texas Emissions Reduction Plan Expenditures | | 1,140 | | 1,140 |
| **Efficiencies:** | | | | |
| Average Cost of Low Income Repair Assistance Program (LIRAP) Vehicle Emissions Repairs/Retrofits | | 380 | | 380 |
| Average Cost Per Ton of Nitrous Oxides Reduced through Texas Emissions Reduction Plan Expenditures | | 13,000 | | 13,000 |
| **A.1.5. Strategy:** WATER ASSESSMENT AND PLANNING | $ | 25,776,505 | $ | 24,000,024 |
| Develop plans to ensure an adequate, affordable supply of clean water by monitoring and assessing water quality and availability. | | | | |
| **Output (Volume):** | | | | |
| Number of Surface Water Assessments | | 57 | | 57 |
| Number of Groundwater Assessments | | 51 | | 52 |
| **A.1.6. Strategy:** WASTE ASSESSMENT AND PLANNING | $ | 13,677,352 | $ | 13,749,315 |
| Ensure the proper and safe disposal of pollutants by monitoring the generation, treatment and storage of waste and assessing the capacity of waste disposal facilities; and by providing financial and technical assistance to municipal solid waste planning regions for the development and implementation of solid waste reduction plans. | | | | |
| **Output (Volume):** | | | | |
| Number of Municipal Solid Waste Facility Capacity Assessments | | 241 | | 246 |
| **Efficiencies:** | | | | |
| Average Cost per Municipal Solid Waste Facility Capacity Assessment | | 35 | | 35 |
| **A.1.7. Strategy:** POLLUTION PREVENTION RECYCLING | $ | 4,109,586 | $ | 4,165,735 |
| Promote voluntary pollution prevention, recycling and innovative programs through a combination of technical assistance, public education, and by organizing and promoting voluntary prevention initiatives. | | | | |
| **A.1.8. Strategy:** LOW-LEVEL RADIOACTIVE WASTE ASSESS | $ | 123,018 | $ | 123,018 |
| Ensure the proper and safe disposal of low-level radioactive waste. | | | | |
| **A.2.1. Strategy:** SAFE DRINKING WATER | $ | 8,914,959 | $ | 8,322,809 |

| | | | | |
|---|---|---|---|---|
| Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act. | | | | |
| **Output (Volume):** | | | | |
| Number of Public Drinking Water Systems Which Meet Primary Drinking Water Standards | | 6,400 | | 5,900 |
| Number of Drinking Water Samples Collected | | 44,200 | | 42,700 |
| **A.2.2. Strategy:** WATER UTILITIES OVERSIGHT | $ | 2,441,873 | $ | 2,517,360 |
| Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost-based and to promote and ensure adequate customer services. | | | | |
| **Output (Volume):** | | | | |
| Number of Utility Rate Reviews Performed | | 100 | | 100 |
| **Total, Goal A:** ASSESSMENT, PERMITTING, PREVENTION | $ | 152,894,607 | $ | 151,581,166 |
| **B. Goal:** ENFORCEMENT AND COMPLIANCE | | | | |
| To protect public health and the environment by administering enforcement programs that promote voluntary compliance with environmental laws and regulations while providing strict, sure and just enforcement when environmental laws are violated. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Inspected or Investigated Air Sites in Compliance | | 98% | | 98% |
| Percent of Inspected or Investigated Water Sites and Facilities in Compliance | | 98% | | 97% |
| Percent of Inspected or Investigated Waste Sites in Compliance | | 98% | | 97% |
| Percent of Identified Noncompliant Sites and Facilities for Which Appropriate Action Is Taken | | 85% | | 85% |
| **B.1.1. Strategy:** FIELD INSPECTIONS & COMPLAINTS | $ | 39,313,914 | $ | 38,123,361 |
| Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints. | | | | |
| **Output (Volume):** | | | | |
| Number of Inspections and Investigations of Air Sites | | 19,000 | | 19,000 |
| Number of Inspections and Investigations of Water Rights Sites | | 34,000 | | 34,000 |
| Number of Inspections and Investigations of Water Sites and Facilities | | 8,500 | | 8,500 |
| Number of Inspections and Investigations of Livestock and Poultry Operation Sites | | 700 | | 700 |
| Number of Inspections and Investigations of Waste Sites | | 8,300 | | 8,300 |
| **B.1.2. Strategy:** ENFORCEMENT & COMPLIANCE SUPPORT | $ | 11,398,950 | $ | 10,818,271 |
| Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local government; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations. | | | | |
| **Output (Volume):** | | | | |
| Number of Small Businesses and Local Governments Assisted | | 48,000 | | 48,000 |
| Number of Drinking Water Labs Certified | | 115 | | 115 |
| **B.1.3. Strategy:** OCCUPATIONAL LICENSING | $ | 5,430,368 | $ | 3,731,473 |
| Establish and maintain occupational professional certification programs to ensure compliance with statutes and regulations that protect public health and the environment. | | | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Examinations Administered | | 10,900 | | 11,000 |
| **Total, Goal B:** ENFORCEMENT AND COMPLIANCE | $ | 56,143,232 | $ | 52,673,105 |
| **C. Goal:** POLLUTION CLEANUP | | | | |
| To protect public health and the environment by identifying, assessing, and prioritizing contaminated sites, and by assuring timely and cost-effective cleanup based on good science and current risk factors. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Leaking Petroleum Storage Tank Sites Cleaned up | | 79% | | 80% |
| Percent of Superfund Sites Cleaned up | | 55.6% | | 57.1% |
| Percent of Voluntary and Brownfield Cleanup Properties Made Available for Commercial, Industrial and Community Redevelopment, or Other Economic Reuse | | 52% | | 53% |
| **C.1.1. Strategy:** STORAGE TANK ADMIN & CLEANUP | $ | 47,179,135 | $ | 50,984,865 |
| Regulate the installation and operation of underground storage tanks and administer a program to identify and remediate sites contaminated by leaking storage tanks and provide prompt and appropriate reimbursement to contractors and owners for the cost of remediating contaminated sites. | | | | |
| **Output (Volume):** | | | | |
| Number of Petroleum Storage Tank Self-certifications Processed | | 10,725 | | 10,725 |
| **C.1.2. Strategy:** HAZARDOUS MATERIALS CLEANUP | $ | 22,935,228 | $ | 29,881,772 |
| Aggressively pursue the investigation, design and cleanup of federal and state Superfund sites; and facilitate voluntary cleanup activities at other sites and respond immediately to spills which threaten human health and the environment. | | | | |
| **Output (Volume):** | | | | |
| Number of Voluntary and Brownfield Cleanups Completed | | 70 | | 70 |
| Number of Superfund Evaluations under Way | | 25 | | 27 |
| Number of Superfund Cleanups under Way | | 28 | | 22 |
| Number of Superfund Cleanups Completed | | 4 | | 5 |
| **Total, Goal C:** POLLUTION CLEANUP | $ | 70,114,363 | $ | 80,866,637 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 18,796,351 | $ | 18,726,126 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 14,380,261 | $ | 13,626,354 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 14,287,698 | $ | 14,382,425 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 47,464,310 | $ | 46,734,905 |
| **Grand Total,** COMMISSION ON ENVIRONMENTAL QUALITY | $ | 326,616,512 | $ | 331,855,813 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 24,519,331 | $ | 23,334,011 |
| Earned Federal Funds | | 3,381,115 | | 3,285,153 |
| Subtotal, General Revenue Fund | $ | 27,900,446 | $ | 26,619,164 |
| General Revenue Fund - Dedicated | | | | |
| Low Level Waste Account No. 088 | | 123,018 | | 123,018 |
| Used Oil Recycling Account No. 146 | | 904,104 | | 919,888 |

## COMMISSION ON ENVIRONMENTAL QUALITY
(Continued)

| | | | | |
|---|---|---|---|---|
| Clean Air Account No. 151 | | 96,386,367 | | 96,471,246 |
| Water Resource Management Account No. 153 | | 25,143,234 | | 25,185,562 |
| Watermaster Administration No. 158 | | 884,504 | | 884,031 |
| Occupational Licensing Account No. 468 | | 1,471,879 | | 1,474,613 |
| Waste Management Account No. 549 | | 46,405,694 | | 44,507,548 |
| Hazardous and Solid Waste Remediation Fee Account No. 550 | | 19,349,731 | | 24,275,800 |
| Petroleum Storage Tank Remediation Account No. 655 | | 34,332,649 | | 39,592,673 |
| Solid Waste Disposal Account No. 5000 | | 10,986,324 | | 10,986,324 |
| Environmental Testing Laboratory Accreditation Account No. 5065 | | 50,000 | | 400,000 |
| Texas Emissions Reduction Plan Account No. 5071 | | 15,569,955 | | 15,879,870 |
| Subtotal, General Revenue Fund - Dedicated | $ | 251,607,459 | $ | 260,700,573 |
| Federal Funds | | | | |
| Federal Funds | | 37,990,068 | | 35,849,067 |
| Federal Air Control Board Fund No. 102 | | 4,591,700 | | 4,591,700 |
| Subtotal, Federal Funds | $ | 42,581,768 | $ | 40,440,767 |
| Other Funds | | | | |
| Appropriated Receipts | | 221,856 | | 221,857 |
| Interagency Contracts | | 4,304,983 | | 3,873,452 |
| Subtotal, Other Funds | $ | 4,526,839 | $ | 4,095,309 |
| **Total, Method of Financing** | $ | 326,616,512 | $ | 331,855,813 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 3,013.5 | | 3,009.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 5 | | $111,800 | | $111,800 |
| Commissioner, Group 5 | | (2) 109,200 | | (2) 109,200 |
| Executive Director, Group 5 | | 132,000 | | 132,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 200,000 | $ | 200,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 136,326,051 | $ | 136,176,699 |
| Other Personnel Costs | | 1,941,692 | | 2,669,323 |
| Operating Costs | | 659,382 | | 679,259 |
| Professional Fees and Services | | 49,491,739 | | 44,201,522 |
| Fuels and Lubricants | | 347,676 | | 346,181 |
| Consumable Supplies | | 1,104,618 | | 1,098,866 |
| Utilities | | 2,901,436 | | 2,882,118 |
| Travel | | 3,367,055 | | 3,443,981 |
| Rent - Building | | 6,818,246 | | 6,782,451 |
| Rent - Machine and Other | | 1,030,411 | | 1,053,585 |
| Other Operating Expense | | 52,330,539 | | 59,201,643 |
| Grants | | 59,429,950 | | 65,025,903 |
| Capital Expenditures | | 11,067,717 | | 8,494,282 |
| **Total, Object-of-Expense Informational Listing** | $ | 326,816,512 | $ | 332,055,813 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Life Cycle Replacement | $ | 1,981,548 | $ | 1,418,452 |
| (2) New Capacity | | 1,060,000 | | 910,000 |
| (3) Software | | 500,000 | | 200,000 |
| (4) Small System Development | | 625,000 | | 625,000 |
| (5) Personal Computer and Printer Replacement | | 954,143 | | 1,395,467 |
| (6) Fiscal Services Systems | | 715,000 | | 207,000 |
| (7) State Implementation Plan Emissions Data Management System | | 600,000 | | 600,000 |
| (8) Investigation Information Collection System | | 1,300,000 | | 700,000 |
| Total, Acquisition of Information Resource Technologies | $ | 7,735,691 | $ | 6,055,919 |
| b. Transportation Items | | | | |
| (1) Replacement Vehicles for Agency Fleet | | 365,181 | | 462,181 |
| (2) Replacement Boats | | 154,000 | | 0 |
| Total, Transportation Items | $ | 519,181 | $ | 462,181 |
| c. Acquisition of Capital Equipment and Items | | | | |
| (1) Maintenance of Air Monitoring Equipment | | 1,404,266 | | 1,404,864 |
| (2) Maintenance of Water Monitoring Equipment | | 1,281,000 | | 328,170 |
| Total, Acquisition of Capital Equipment and Items | $ | 2,685,266 | $ | 1,733,034 |
| Total, Capital Budget | $ | 10,940,138 | $ | 8,251,134 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 2,792,026 | $ | 627,489 |
| Earned Federal Funds | | 186,350 | | 28,850 |
| Subtotal, General Revenue Fund | $ | 2,978,376 | $ | 656,339 |
| General Revenue Fund - Dedicated | | | | |
| Used Oil Recycling Account No. 146 | | 26,569 | | 26,569 |
| Clean Air Account No. 151 | | 5,009,445 | | 4,647,034 |
| Water Resource Management Account No. 153 | | 308,823 | | 236,846 |
| Watermaster Administration No. 158 | | 45,000 | | 67,500 |
| Occupational Licensing Account No. 468 | | 46,160 | | 46,160 |
| Waste Management Account No. 549 | | 2,428,469 | | 2,424,057 |
| Hazardous and Solid Waste Remediation Fee Account No. 550 | | 97,296 | | 146,629 |
| Subtotal, General Revenue Fund - Dedicated | $ | 7,961,762 | $ | 7,594,795 |
| Total, Method of Financing | $ | 10,940,138 | $ | 8,251,134 |

2. **Contingency Cash Flow.** If the Legislative Budget Board and Governor determine after review of relevant information that cash flow difficulties will occur as a result of the appropriations made above, the board and Governor may authorize the Texas Commission on Environmental Quality (TCEQ) to temporarily expend general revenue funds for the purpose of meeting the temporary cash flow needs of the TCEQ, limited to the amounts appropriated above. The transfer of funds shall be repaid to the General Revenue Fund by the end of the fiscal year in which the funds were transferred under procedures and standards established by the Comptroller of Public Accounts.

3. **Authorization: Aircraft Chartering.** Notwithstanding any other provision of this Act, the Texas Commission on Environmental Quality is authorized to spend appropriated funds for the chartering of aircraft for the purposes of monitoring environmental quality and the enforcement of environmental and water rights laws of the State.

4. **Waste Facility Application Fees.** Amounts appropriated above out of the Waste Management Account No. 549 include and shall not exceed $75,000 in each fiscal year of the biennium from permit application fees assessed by the agency for industrial solid waste and hazardous waste facilities as authorized by Health and Safety Code, § 361.137.

5. **Local Air Pollution Grants Allocation.** Out of the amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, an amount not less than $2,800,000 in each fiscal year of the biennium shall be utilized to fund grants or cooperative agreements with eligible local air pollution programs under Health and Safety Code, § 382.0622. It is provided, however, that the combined federal and state share of the funding for any such local air pollution programs shall not exceed 67 percent of the total allocation to the programs, with the local share being based on the local dollars allocated pursuant to maintenance-of-effort requirements for federal air pollution grants.

6. **Fee Revenue: Pollution Control Equipment Exemptions.** Pursuant to Tax Code, § 11.31, included in amounts appropriated above out of the General Revenue Fund in Strategy A.1.7, Pollution Prevention and Recycling, is $133,600 each fiscal year from fee revenue collected beginning with the effective date of this Act for the purpose of determining whether pollution control equipment is exempt from taxation.

   In addition to amounts appropriated above, any amounts collected by the Texas Commission on Environmental Quality pursuant to Tax Code, § 11.31 on or after September 1, 2003, in excess of $133,600 in each fiscal year of the biennium are hereby appropriated to the agency.

7. **Authorization: Operating Fund.** The Texas Commission on Environmental Quality (TCEQ) is hereby authorized to make transfers from any appropriation made to TCEQ into a single account in the General Revenue Fund known as the "Texas Commission on Environmental Quality Operating Fund" for the purpose of making expenditures for which appropriations were made in this Act. After the expenditures have been made from the fund and as soon as the proper strategies have been identified, TCEQ shall process adjustments to the Comptroller in summary accounts to facilitate accurate cost allocations; provided, however, that each special account and fund shall be used for the purposes as now described by law and nothing shall be done to jeopardize or divert the special accounts and funds or any portion thereof including federal aid.

8. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code, § 2110.004, reimbursement of expenses for advisory committee members out of funds appropriated above is limited to the following advisory committees:

   Irrigators Advisory Council
   Small Business Compliance Advisory Panel

Pollution Prevention Advisory Committee
Municipal Solid Waste Management and Resource Recovery Advisory Council

9. **Appropriation: Near Non-Attainment Area Air Quality Planning.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, is $5,075,000 for the biennium for air quality planning activities in areas considered to be near non-attainment for the ozone standard under the Federal Clean Air Act Amendments of 1990, which include Austin, Corpus Christi, Longview-Tyler-Marshall, San Antonio, and Victoria, and may include additional areas as designated by the US Environmental Protection Agency. These activities may include identifying, inventorying, and monitoring of current pollution levels; modeling future pollution levels; and the identification and quantification of potential pollution reduction through voluntary controls. The areas receiving funds shall coordinate with the Texas Commission on Environmental Quality (TCEQ) to ensure that these activities are consistent with agency monitoring, inventory and modeling approaches and infrastructure.

   Any unexpended balances from this appropriation as of August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

   For cash flow purposes, the TCEQ may utilize General Revenue Funds in an amount not to exceed $2 million for the 2004–05 biennium, pending repayment through receipts and balances to the Clean Air Account No. 151. The General Revenue amounts shall be utilized to conduct air quality planning activities in areas considered to be near non-attainment for the ozone standard. Any unencumbered balances remaining in the Clean air Account No. 151 on August 31, 2005, shall be used to repay amounts transferred from the General Revenue Fund. Any transfers or repayments shall be made in accordance with procedures established by the Comptroller.

10. **Appropriations Limited to Revenue Collections: Occupational Licensing.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues deposited to the Occupational Licensing Account No. 468 as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for strategy item B.1.3, Occupational Licensing, as well as the "Other direct and indirect costs" associated with this strategy, appropriated elsewhere in this Act. "Other direct and indirect costs" for strategy item B.1.3, Occupational Licensing, are estimated to be $439,668 for fiscal year 2004 and $447,472 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

11. **Contract with the State Office of Administrative Hearings.** Included in the amounts appropriated above is $938,860 in fiscal year 2004 and $938,860 in fiscal year 2005 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Natural Resources Division for the purpose of conducting administrative hearings and for related expenses. The Texas Commission on Environmental Quality (TCEQ) and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to TCEQ. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the Natural Resources Division, the State Office of Administrative Hearings may enter into negotiations with TCEQ in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor, together with written permission of the agency.

12. **Agency Coordination.** The Texas Department of Transportation and the Texas Commission on Environmental Quality shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the TCEQ shall provide to the appropriate Legislative Committees a report on their progress by January 1 of each fiscal year.

13. **Petroleum Storage Tank Administration.** Out of funds appropriated above in Strategy C.1.1, Storage Tank Administration and Cleanup, not more than $11,120,682 in fiscal year 2004 and not more than $9,666,388 in fiscal year 2005 in gross receipts to the Petroleum Storage Tank Remediation (PSTR) Account No. 655 may be transferred to the Waste Management Account No. 549 for necessary expenses associated with the PSTR Account and the groundwater protection cleanup program, in accordance with Water Code, § 26.3573 (d)-(e). Furthermore, the Texas Commission on Environmental Quality (TCEQ) shall not transfer funds from the PSTR Account No. 655 from Strategy C.1.1, Storage Tank Administration and Cleanup, to any other strategy.

    For the purposes of implementing activities supported in Strategy C.1.1, Storage Tank Administration and Cleanup, the TCEQ is exempt from provisions of Article IX relating to the inclusion of temporary or contract workers in the calculation of the number of Full-Time-Equivalent (FTE) positions by a state agency.

14. **Certification of Section 404 Permits.** Except for the review of a federal permit or license by the state that is required in order to maintain delegation of a federal program or to comply with a requirement of federal law, none of the funds appropriated above may be expended by the commission for the purpose of certification of a federal permit issued by the US Army Corps of Engineers under § 404 of the Federal Clean Water Act.

15. **Texas Parks and Wildlife Environmental Special Investigations Unit.** Included in amounts appropriated above in Strategy B.1.2, Enforcement and Compliance Support, is $250,000 out of Waste Management Account No. 549 for each fiscal year of the biennium for the purpose of supporting the Texas Parks and Wildlife Department's Environmental Special Investigations Unit to enforce state and federal laws on illegal dumping. This appropriation is contingent on a memorandum of understanding and an interagency transfer of the funds between the Texas Parks and Wildlife Department and the Texas Commission on Environmental Quality to jointly administer the program. Any unexpended balance of this appropriation from fiscal year 2004 is appropriated for the same purpose for fiscal year 2005.

16. **Air Pollution/Haze Study.** Out of amounts appropriated above, the Texas Commission on Environmental Quality shall conduct a study of the air pollution/haze problem along the Texas/Mexico border, with particular emphasis on the air pollution/haze in Big Bend National Park. The study should include the causes of pollution/haze, the effects of such pollution/haze, as well as any potential short-term and long-term remedies. The study should be concluded and the commission shall begin implementation of the study prior to January 1, 2005.

17. **Federal Funds and Capital Budget Expenditures.** To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements required for the receipt and expenditure of federal funds, the Texas Commission on Environmental Quality (TCEQ) is hereby exempted from the Capital Budget Rider Provisions contained in Article IX of this Act, "Limitations on Expenditures - Capital Budget", when federal funds are received in excess of amounts identified in the agency's Capital Budget Rider and such funds are federally designated solely for the purchase of specific capital items. The TCEQ shall notify the Legislative Budget Board and the Governor upon receipt of such federal funds, of the amount received and items to be purchased.

18. **Appropriation: Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Assessment and Planning, is $4,500,000 in fiscal year 2004 for research to obtain the data and information to refine and enhance any model used to demonstrate attainment with the National Ambient Air Quality Standard (NAAQS) for ozone and other pollutants under the Federal Clean Air Act. These funds may also be used to collect data and for modeling to demonstrate attainment with the National Ambient Air Quality Standard for Ozone and other pollutants. The Commission on Environmental Quality shall contract for air quality modeling services with an outside vendor in an amount equal to $3,000,000. The TCEQ may use up to $1,500,000 for other modeling activities within the agency as necessary.

    Any unexpended balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

19. **Waste Tires.** Out of amounts appropriated above, the Texas Commission on Environmental Quality shall enforce statutory requirements relating to waste, scrap, or used tires. It is the intent of the Legislature that all reasonable steps be taken to minimize the illegal storage, transport, or disposal of waste or scrap tires. The TCEQ shall audit or otherwise monitor businesses that sell, transport, or store such tires and identify illegal or improper activities as well as study methods for achieving a greater level of compliance for tire disposal within the State of Texas. The TCEQ also shall seek opportunities for coordination with other agencies, such as the Comptroller of Public Accounts, through interagency agreements or contracts. Cooperating agencies shall use routine contracts with taxpayers during audits or other activity to obtain copies of tire manifests or other information relating to tire transport or storage in accordance with Health and Safety Code, § 361.112. Such agreements shall provide that the cooperating agency transmit such records to the commission for review and analysis and should be designed to have minimal costs for the cooperating agency. The TCEQ shall submit a report not later than December 1, 2004, to the Legislative Budget Board and the Governor detailing their efforts and findings in accordance with this provision.

20. **Reallocation of Revenue and Balances for Certain Accounts.** Pursuant to Water Code, § 5.707 and notwithstanding provisions relating to Appropriation Transfers within in the General Appropriations Act, the Texas Commission on Environmental Quality is hereby authorized to reallocate not more than seven percent of the All Funds amount identified in the Method of Finance above from the following accounts (consisting of revenues and balances) to be used for purposes identified in the above strategies.

    Used Oil Recycling Account No. 146
    Clean Air Account No. 151
    Water Resource Management Account No. 153
    Watermasters Administration Account No. 158
    Occupational Licensing Account No. 468
    Waste Management Account No. 549
    Hazardous and Solid Waste Remediation Fee Account No. 550
    Solid Waste Disposal Account No. 5000

    The Commission shall notify the Governor and the Legislative Budget Board of any decision to reallocate funds between accounts prior to any such reallocations.

21. **Appropriation: Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).** Included in the amounts appropriated above in Strategy A.1.4, Air Quality Assessment and Planning, is $14,795,000 in fiscal year 2004 and $18,484,987 in fiscal year 2005 out of the Clean Air Account No. 151 in estimated fee revenues from vehicle inspection and maintenance fees generated pursuant to Health and Safety Code, § 382.202, to

fund the Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). Of the amounts, $162,365 in each fiscal year shall be used by the Texas Commission on Environmental Quality (TCEQ) for costs associated with administering the LIRAP as authorized in Health and Safety Code, § 382.202, and $14,632,635 in fiscal year 2004 and $18,422,622 in fiscal year 2005 shall be used as LIRAP grants to local governments.

In addition to the amounts appropriated above, there is hereby appropriated to the TCEQ for the biennium beginning on September 1, 2003 any additional revenues from vehicle inspection and maintenance fees generated from additional counties participating in the LIRAP beginning on or after September 1, 2003. Such funds shall be used to provide grants to local governments and to cover administrative costs of the TCEQ in administering the LIRAP.

22. **Statewide Implementation Plan Credit.** The Texas Commission on Environmental Quality (TCEQ) shall evaluate all state agency expenditures that result in quantifiable improvements to air quality in areas considered to be nonattainment for federal air quality standards to determine whether such expenditures could result in nitrous oxide (NOx) emissions reductions that could be used as credit in the Statewide Implementation Plan (SIP) submitted to the Environmental Protection Agency (EPA).

    At least annually, the TCEQ shall notify the Texas Emissions Reductions Plan (TERP) Advisory Board of its findings regarding potential additional SIP credit. In addition, the TCEQ shall include such items in any amendments to the SIP submitted to the EPA.

23. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy item A.1.4, Air Quality Assessment and Planning, is $1,628,200 in each fiscal year of the biennium for the operation of the vehicle emissions inspection and maintenance program pursuant to Section 382.037, Health and Safety Code and Executive Order GWB96-1. These funds are for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program, including federally required reporting measures to demonstrate compliance with applicable federal and state laws.

    Also included in the amounts appropriated above, is $434,382 in fiscal year 2004 and $454,259 in fiscal year 2005 out of the Clean Air Account No.151 in additional automobile emissions inspection and maintenance fees collected under Health and Safety Code, Section 382.202 from counties that entered the program during 2002-03. The funds shall be used to support the administration and evaluation of the emissions inspections and maintenance program.

    In addition, if additional counties enter the vehicle emissions inspection and maintenance program during fiscal years 2004-05, 20 percent of revenues generated from the vehicle emissions and inspections fee in the additional counties in each fiscal year are hereby appropriated to the agency for the same purposes.

    It is the intent of the Legislature that 20 percent of the fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above, as well as the "Other direct and indirect costs" associated with the program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be $163,119 for fiscal year 2004 and $167,787 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

24. **Contingency Appropriation: Fee Appropriation for Watermaster Offices.** Included in amounts appropriated above out of the Watermaster Administration Account No. 158 in Strategy A.1.2, Water Resource Permitting, is an amount not to exceed $25,000 in each fiscal year of the biennium from revenue collected by the Texas Commission on Environmental Quality (TCEQ) from additional fees generated pursuant to Water Code, § 11.329 due to the implementation of increased fee rates at the Rio Grande and South Texas watermaster offices, and due to new watermaster offices created on or after September 1, 2003, by petition of the affected water rights holders.

    Any unexpended balances from this appropriation as of August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

25. **Recovered Costs and Responsible Party Payments.** In addition to amounts appropriated above in Strategy C.1.2, Hazardous Materials Cleanup, the Texas Commission on Environmental Quality is hereby appropriated for the biennium beginning with the effective day of this Act, all payments from judgments, settlements and responsible party payments deposited to the credit of Hazardous and Solid Waste Remediation Account No. 550 for the fiscal year ending August 31, 2003 (estimated to be $100,000) and all similar revenues collected during the 2004-05 biennium (estimated to be $100,000). The funds shall be used for investigation, assessment, remediation, and operation or maintenance performed at any site being remediated.

26. **Appropriation: Costs Recovered for Petroleum Storage Tank Remediation.** In addition to amounts appropriated above in Strategy C.1.1, Storage Tank Administration and Cleanup, the Texas Commission on Environmental Quality is hereby appropriated for the biennium beginning with the effective date of this Act all payments received from responsible parties as reimbursements and deposited to the Petroleum Storage Tank Remediation Account No. 655 for the costs of investigation, remediation, operation, or maintenance of leaking petroleum storage tank sites (estimated to be $100,000 in each fiscal year of the biennium).

27. **Appropriation: Operating Permit Fees.** In calculating the amount of the fee to be collected under § 382.0621, Health and Safety Code, the commission shall include upset and maintenance emissions in the total emissions for each source.

    Included in the amounts appropriated above out of the Clean Air Act No. 151 is $520,000 in each fiscal year of the biennium in fee revenues from upset and maintenance emissions. These funds shall be used for enforcement and monitoring activities in Strategy A.1.1, Air Quality Permitting.

28. **Bosque River Water Quality Monitoring.** Out of funds appropriated above in Strategy A.1.5, Water Assessment and Planning, the Texas Commission on Environmental Quality shall conduct water quality monitoring of the Bosque River.

29. **Nuisance Surveys for the Economically Disadvantaged Communities Program.** Out of amounts appropriated above out of the General Revenue Fund in Strategy D.1.1, Central Administration, the Commission on Environmental Quality shall reimburse the Texas Department of Health for costs incurred by the Department in conducting nuisance surveys for applicants for financial assistance through the Economically Disadvantaged Communities program administered by the Water Development Board. The Commission shall reimburse such costs through Interagency Contracts with the Department of Health in an amount not to exceed a total of $250,000 for the biennium beginning on September 1, 2003.

30. **Environmental Health Institute.** Out of amounts appropriated above, the Texas Commission on Environmental Quality (TCEQ) shall use up to $500,000 out of the Hazardous and Solid Waste Remediation Fee Account No. 550 during the biennium beginning on September 1, 2003 for the support of the Texas Environmental Health Institute (TEHI) established in conjunction with the Texas Department of Health in Health and Safety Code, Chapter 427.

Any penalty amounts generated during the biennium beginning on September 1, 2003 from the TCEQ's administrative or civil enforcement actions that are invested in a Supplemental Environmental Project conducted by the TEHI or by any other organization in association with the TEHI, shall be considered an expenditure of the TCEQ for the purpose of supporting the TEHI.

## COUNCIL ON ENVIRONMENTAL TECHNOLOGY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the Texas Emissions Reduction Plan Account No. 5071:** | | |
| **A. Goal:** MITIGATE POLLUTION PROBLEMS<br>Provide financial and technical support to mitigate problems associated with environmental pollution. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Council-funded Technologies Certified by the US Environmental Protection Agency | 20% | 40% |
| **A.1.1. Strategy:** GRANTS FOR NEW TECHNOLOGIES<br>Provide financial assistance in the form of grants to identify, support and evaluate new technologies to improve air quality and to facilitate the deployment of such technologies. | $ 1,515,149 | $ 1,547,099 |
| **Output (Volume):** | | |
| Number of New Technology Grant Proposals Reviewed | 40 | 40 |
| **Efficiencies:** | | |
| Average Number of Days to Review a Grant Proposal | 14 | 14 |
| **Grand Total,** COUNCIL ON ENVIRONMENTAL TECHNOLOGY | $ 1,515,149 | $ 1,547,099 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 4.0 | 4.0 |
| **Object-of-Expense Informational Listing:** | | |
| Other Personnel Costs | $ 180,594 | $ 179,513 |
| Consumable Supplies | 9,299 | 9,180 |
| Utilities | 2,500 | 2,700 |
| Travel | 11,500 | 12,500 |
| Grants | 1,311,256 | 1,343,206 |
| **Total, Object-of-Expense Informational Listing** | $ 1,515,149 | $ 1,547,099 |

## GENERAL LAND OFFICE AND VETERANS' LAND BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENHANCE STATE ASSETS | | |
| To enhance the value of state assets and the revenues they generate through prudent and innovative management of state-owned land, minerals, and other assets. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Permanent School Fund Uplands Acreage Leased | 78% | 78% |
| **A.1.1. Strategy:** ENERGY LEASE MANAGEMENT | $ 7,475,977 | $ 6,240,984 |
| Assess the revenue potential of state lands for energy leasing; conduct aggressive energy leasing and revenue management activities; promote the sale and use of state-owned energy resources, including renewable energy resources, to maximize the revenue generated by assets; and develop strategic public-private partnerships and programs to promote economic development. | | |
| **Output (Volume):** | | |
| Average Monthly Volume of In-kind Gas Sold in Thousand Cubic Feet (MCF) | 2,200,000 | 2,200,000 |
| Average Monthly Volume of In-kind Oil Sold in Barrels | 100,000 | 100,000 |
| Amount of Revenue Detected from Audits | 4,600,000 | 4,600,000 |
| **A.1.2. Strategy:** SURFACE AND COASTAL LEASING | $ 3,030,208 | $ 3,088,358 |
| Promote and conduct aggressive surface and coastal leasing activities for Permanent School Fund and state agency land, and monitor lease compliance. | | |
| **Output (Volume):** | | |
| Annual Revenue from Uplands Surface Leases | 940,000 | 940,000 |
| Annual Revenue from Coastal Leases | 2,260,000 | 2,310,000 |
| **A.1.3. Strategy:** ASSET MANAGEMENT | $ 2,485,650 | $ 2,464,927 |
| Evaluate Permanent School Fund and state agency land and dispose of selected tracts through sale or trade. | | |
| **Output (Volume):** | | |
| Annual Value of State Agency Real Estate Transactions | 20,000,000 | 20,000,000 |
| **Total, Goal A:** ENHANCE STATE ASSETS | $ 12,991,835 | $ 11,794,269 |
| **B. Goal:** PROTECT THE ENVIRONMENT | | |
| To improve and protect the Texas environment and promote wise use of resources while creating new markets and jobs through environmental initiatives in partnership with the public and private sectors. | | |
| **B.1.1. Strategy:** COASTAL/NAT RES MANAGEMENT | $ 3,814,096 | $ 3,819,110 |
| Manage and protect coastal and other natural resources by evaluating coastal permit applications and coastal communities' compliance with applicable rules and regulations; coordinating the Texas Adopt-A-Beach Program; and promoting partnerships for the use of natural gas and recycled products. | | |
| **Output (Volume):** | | |
| Number of Coastal Cleanups Conducted | 54 | 54 |

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** OIL SPILL RESPONSE | $ | 9,963,923 | $ | 9,963,923 |
| Develop and implement a comprehensive oil spill prevention and response program to monitor the integrity of oil transport through Texas coastal waters and respond quickly and efficiently to oil spills. | | | | |
| **Output (Volume):** | | | | |
| Number of Oil Spill Responses | | 1,188 | | 1,173 |
| Number of Prevention Activities - Vessels | | 1,729 | | 1,729 |
| **Total, Goal B:** PROTECT THE ENVIRONMENT | $ | 13,778,019 | $ | 13,783,033 |
| **C. Goal:** VETERANS' LAND BOARD | | | | |
| To provide Texas veterans with self supporting benefit programs offering below-market interest rate loans for land, homes, and home improvements, plus high quality long term nursing home care and an honorable final resting place. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Texas Veterans Reached through Outreach Efforts | | 33% | | 33% |
| **C.1.1. Strategy:** VETERANS BENEFIT PROGRAMS | $ | 17,299,265 | $ | 14,539,265 |
| Provide veterans with benefit information, below-market lending opportunities, efficient loan services, access to veterans homes and cemeteries, and manage active loan accounts and bond funds to ensure the financial integrity of the program. | | | | |
| **Output (Volume):** | | | | |
| Dollar Volume of Program Loans Serviced by Texas Veterans' Land Board | | 465,000,000 | | 435,000,000 |
| **Grand Total,** GENERAL LAND OFFICE AND VETERANS' LAND BOARD | $ | 44,069,119 | $ | 40,116,567 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 9,635,665 | $ | 9,635,666 |
| General Revenue Fund - Dedicated | | | | |
| Coastal Protection Account No. 027 | | 11,506,712 | | 11,506,713 |
| Coastal Public Lands Management Fee Account No. 450 | | 184,063 | | 184,063 |
| Subtotal, General Revenue Fund - Dedicated | $ | 11,690,775 | $ | 11,690,776 |
| Federal Funds | | 4,406,560 | | 1,654,006 |
| Other Funds | | | | |
| Appropriated Receipts | | 3,716,854 | | 2,516,854 |
| Interagency Contracts | | 80,000 | | 80,000 |
| Veterans Land Program Administration Fund No. 522 | | 14,539,265 | | 14,539,265 |
| Subtotal, Other Funds | $ | 18,336,119 | $ | 17,136,119 |
| **Total, Method of Financing** | $ | 44,069,119 | $ | 40,116,567 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 612.0 | | 612.0 |
| **Schedule of Exempt Positions:** | | | | |
| Land Commissioner, Group 4 | | $92,217 | | $92,217 |

| | | | | |
|---|---|---|---|---|
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 26,988,900 | $ | 26,988,900 |
| Other Personnel Costs | | 971,260 | | 971,260 |
| Professional Fees and Services | | 7,747,581 | | 3,812,258 |
| Fuels and Lubricants | | 106,783 | | 106,648 |
| Consumable Supplies | | 561,874 | | 540,968 |
| Utilities | | 406,688 | | 405,670 |
| Travel | | 930,116 | | 932,748 |
| Rent - Building | | 408,978 | | 408,980 |
| Rent - Machine and Other | | 243,363 | | 245,392 |
| Other Operating Expense | | 2,935,323 | | 3,013,239 |
| Grants | | 1,407,875 | | 1,407,875 |
| Capital Expenditures | | 1,360,378 | | 1,282,629 |
| **Total, Object-of-Expense Informational Listing** | $ | 44,069,119 | $ | 40,116,567 |

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Construction of Buildings and Facilities | | | | |
| (1) Oily Bilge Reclamation Systems | $ | 130,000 | $ | 130,000 |
| b. Acquisition of Information Resource Technologies | | | | |
| (1) Disaster Recovery Project | | 95,000 | | 95,000 |
| (2) State Energy Marketing Program System | | 50,000 | | 0 |
| (3) Hardware/Server Rotation Project | | 310,700 | | 310,700 |
| (4) Aggregated Hardware/Software Project | | 78,668 | | 78,697 |
| Total, Acquisition of Information Resource Technologies | $ | 534,368 | $ | 484,397 |
| c. Transportation Items | | | | |
| (1) Replacement Boats | | 79,900 | | 118,575 |
| (2) Replacement Vehicles | | 315,780 | | 266,618 |
| Total, Transportation Items | $ | 395,680 | $ | 385,193 |
| d. Acquisition of Capital Equipment and Items | | | | |
| (1) Replacement Equipment | | 50,000 | | 41,600 |
| Total, Capital Budget | $ | 1,110,048 | $ | 1,041,190 |

| | | | | |
|---|---|---|---|---|
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 236,671 | $ | 194,674 |
| GR Dedicated - Coastal Protection Account No. 027 | | 443,184 | | 466,304 |
| Veterans Land Program Administration Fund No. 522 | | 380,193 | | 380,212 |
| Appropriated Receipts | | 50,000 | | 0 |
| Total, Method of Financing | $ | 1,110,048 | $ | 1,041,190 |

2. **Per Diem: Boards, Commissions, and Councils.** Citizen members of the School Land Board, Veterans' Land Board, Boards for Lease, and the Coastal Coordination Council may be paid per diem at a rate not to exceed the amount established elsewhere in this Act and actual expenses from funds appropriated above.

3. **Appropriation Source: Veterans' Land Program.** Included in amounts appropriated above in Strategy C.1.1, Veterans Benefits Programs, is $2,083,852 in fiscal year 2004 and $2,140,750 in fiscal year 2005 from the Veterans Land Program Administration Fund No. 522. In addition to amounts appropriated above, there is hereby appropriated from the Veterans' Land Funds, the Veterans' Housing Assistance Funds and the fund for State Veterans Homes, all amounts necessary to administer the Veterans' Land Program, Veterans' Housing Assistance Program, State Veterans Homes, and Veterans Cemeteries, including the amounts incurred in issuing bonds, in compensating a Housing Program Administrator, and in paying contracts for services rendered in administering the land and housing programs, as created and authorized by Article III, § 49b of the Texas Constitution, as amended.

4. **Appropriation of Receipts: Land Sales Expenses.** Pursuant to §§ 31.1571, 31.158 and 32.112, Natural Resources Code, there is hereby appropriated to the General Land Office receipts from land sales sufficient to cover the usual and customary costs of conducting real estate transactions as authorized to be retained by the General Land Office and the School Land Board.

5. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the General Land Office and Veterans' Land Board, is hereby authorized to direct agency resources within the General Land Office and Veterans' Land Board, and transfer such amounts appropriated above between strategy line items.

6. **Appropriation: Defense of Title to Permanent School Fund Land and Prosecution of Mineral Lease Claims or Cases.** Included in amounts appropriated above in Strategy A.1.1, Energy Lease Management, is $2,450,000 in fiscal year 2004 and $1,250,000 in fiscal year 2005 in Appropriated Receipts from funds recovered for the Available School Fund by the General Land Office from the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases. Such funds are to be used for the defense of title to Permanent School Fund lands, and the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases.

7. **Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004 in the appropriations made herein to the General Land Office and Veterans' Land Board are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

8. **Veterans Home Awareness Campaign.** It is the intent of the Legislature that the General Land Office, out of funds appropriated above and pursuant to its authority under Chapter 164 of the Natural Resources Code, provide for, operate, and improve veterans homes.

9. **Appropriation: Easement Fees for Use of State-owned Riverbeds.** Included above are all unencumbered balances on hand as of August 31, 2003, (not to exceed $100,000 in General Revenue) and all amounts collected as easement fees for use of state-owned riverbeds pursuant to § 51.291, Natural Resources Code, or agency rules, during the biennium beginning September 1, 2003, for the removal or improvement of unauthorized structures on Permanent School Fund lands.

## TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PRESERVE/PROTECT COASTAL AREAS | | |
| To preserve and protect Texas beaches and coastal areas from erosion. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Eroding Shorelines Maintained, Protected, or Restored for Gulf Beaches and Other Shorelines | 20% | 20% |
| **A.1.1. Strategy:** COASTAL EROSION CONTROL | $ 9,915,985 | $ 10,699,591 |
| Develop and implement a comprehensive coastal erosion control and beach nourishment program. | | |
| **B. Goal:** MANAGE STATE LAND | | |
| To purchase land for the Permanent School Fund (PSF). | | |
| **B.1.1. Strategy:** PURCHASE LAND FOR PSF | $ 77,975,000 | $ 78,021,000 |
| Give high priority to the purchase of agency land identified as underutilized by the Asset Management Division. | | |
| **Output (Volume):** | | |
| Annual Value of Permanent School Fund Real Estate Transactions | 75,000,000 | 75,000,000 |
| **Grand Total,** TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE | $ 87,890,985 | $ 88,720,591 |
| **Method of Financing:** | | |
| Federal Funds | $ 7,290,985 | $ 7,574,591 |
| Appropriated Receipts | 80,600,000 | 81,146,000 |
| **Total, Method of Financing** | $ 87,890,985 | $ 88,720,591 |
| **Supplemental Appropriations Made in Riders:** | $ 8,700,000 | $ 8,700,000 |
| **Object-of-Expense Informational Listing:** | | |
| Professional Fees and Services | $ 4,200,000 | $ 4,700,000 |
| Other Operating Expense | 300,000 | 346,000 |
| Grants | 14,790,985 | 15,074,591 |
| Capital Expenditures | 77,300,000 | 77,300,000 |
| **Total, Object-of-Expense Informational Listing** | $ 96,590,985 | $ 97,420,591 |

1. **Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004 in the appropriations made herein to the Trusteed Programs within the General Land Office are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

2. **Appropriation: Shared Project Funds.** Included in amounts appropriated above as Appropriated Receipts, estimated to be $2,625,000 for fiscal year 2004 and $3,125,000 for fiscal year 2005, are estimated receipts from shared project funds received in accordance with Natural Resources Code, Chapter 33, Subchapter H, § 33.603(c)(1) and § 33.604.

3. **Appropriation of Receipts: Real Property Sales and Mineral Royalties.** Included in amounts appropriated above in Strategy B.1.1, Purchase Land for PSF, is $2,300,000 in fiscal year 2004 and $2,300,000 in fiscal year 2005 from receipts of land sales. In addition to amounts appropriated above, pursuant to § 51.401, Natural Resources Code, the Trusteed Program for the Management of State Land in the General Land Office is hereby appropriated all additional receipts from land sales of Permanent School Fund (PSF) property conducted by the General

Land Office and all receipts from the lease of PSF land for mineral development including royalties from existing and future active mineral leases of PSF lands that are necessary to purchase fee or lesser interests in real property for the use and benefit of the PSF or for the purpose of purchasing easements for access to PSF land as authorized by § 11.079, Natural Resources Code. Any of these appropriated receipts from the sale of PSF land or lease of PSF minerals which remain unexpended for more than two years are to be transferred into the PSF as required by Natural Resources Code § 51.401(d).

4. **Appropriation: Receipts and Account Balances for Surface Damages.** Included in the amounts appropriated above as Appropriated Receipts in Strategy B.1.1, Purchase Land for PSF, is $300,000 in fiscal year 2004 and $300,000 in fiscal year 2005 in receipts collected as surface damages pursuant to §§ 52.297, 53.155, 31.051, 51.291, 51.295, and 51.296, Natural Resources Code. Such funds are appropriated for the purpose of funding conservation or reclamation projects, making permanent improvements on Permanent School Fund land, and making grants to a lessee of Permanent School Fund land for these purposes, and for the purpose of purchasing easements for access to Permanent School Fund land, as authorized by § 11.079, Natural Resources Code. In addition to funds appropriated above, additional revenues received from surface damage receipts are hereby appropriated to the Trusteed Programs within the General Land Office for the same purposes, estimated to be $0.

5. **Marketing, Acquisition, or Disposition of Lands Purchased by the Permanent School Fund Land.** Included in amounts appropriated above in Strategy B.1.1, Purchase Land for PSF, funds generated by the leasing of permanent school fund land surface interests, are funds necessary to pay reasonable and necessary costs (not to exceed $375,000 in fiscal year 2004 and $421,000 in fiscal year 2005) incurred by the Trusteed Programs within the General Land Office for the marketing, acquisition or disposition of lands purchased by the Permanent School Fund.

6. **School Land Board Acquisition of Land, Buildings, or Facilities.** If the School Land Board (SLB) acquires land, buildings, or facilities that are currently occupied by a state agency and, with the consent of the SLB, the agency continues to occupy the building or facility, all maintenance of the buildings and premises shall be funded from appropriations provided for the maintenance of the building, facility, or premises as set forth elsewhere in this act. The SLB may retain an amount equal to 3.5 percent of the purchase price, for each year of the biennium that the agency uses the land, building, or facility pro-rated on a monthly basis. The funds retained shall be deposited as rental into the Available School Fund.

7. **Sale of State Property to the Permanent School Fund.** The General Land Office shall sell state real property to be purchased by the Permanent School Fund in an amount of at least $150 million, and included in the amounts appropriated above for the biennium. The proceeds of the sale shall be placed in the General Revenue Fund unless otherwise directed by the state statute or constitution.

8. **Contingency Appropriation: House Bill 1110.** Contingent upon passage of House Bill 1110, or similar legislation relating to the funding of the Coastal Protection Fund and the use of the money in the Fund, by the Seventy-eighth Legislature, Regular Session, the Trusteed Programs within the General Land Office is hereby appropriated $8,700,000 in fiscal year 2004 and $8,700,000 in fiscal year 2005 from the Coastal Protection Account No. 027 to implement the provisions of the legislation.

   In the event House Bill 1110 or similar legislation is not enacted by the Seventy-eighth Legislature, Regular Session, the Trusteed Programs within the General Land Office is hereby appropriated $6,000,000 for the biennium beginning September 1, 2003 from the Coastal Protection Account No. 027 to fund coastal erosion control programs.

## PARKS AND WILDLIFE DEPARTMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** OUTDOOR RECREATION<br>To strengthen traditional services for core constituents such as hunters, anglers, park visitors, and other outdoor enthusiasts by improving habitat and access to outdoor areas, and maintaining quality and safety. | | |
| **Outcome (Results/Impact):** | | |
| Percent of State Parks Maintenance and Minor Repair Projects Completed | 29% | 29% |
| Percent of Scheduled Major Repair/Construction Projects Completed | 62% | 64% |
| **A.1.1. Strategy:** PUBLIC HUNTING AND FISHING<br>Provide public hunting and public fishing opportunities by acquiring, improving, and providing access to public fisheries, wildlife and their habitat. | $ 26,054,789 | $ 24,393,126 |
| **Output (Volume):** | | |
| Number of Fingerlings Stocked (In Millions) | 51 | 51 |
| Number of Combination Licenses Sold | 619,000 | 644,000 |
| **A.2.1. Strategy:** OPERATE STATE PARKS<br>Plan for proper use and operate existing state parks and wildlife management areas safely and cost effectively. | $ 48,624,671 | $ 48,547,098 |
| **Output (Volume):** | | |
| Number of State Parks in Operation | 113 | 114 |
| Number Reached through Programs from State Parks and Historical Sites | 1,020,000 | 1,100,000 |
| **A.2.2. Strategy:** CAPITAL PROGRAMS<br>Implement capital improvement, major repair, and cultural and natural resource management programs for existing facilities; and acquire identified priority natural, cultural, and recreational resources and develop according to a site management plan. | $ 67,863,472 | $ 22,094,555 |
| **Output (Volume):** | | |
| Number of Major Repair/Construction Projects Completed | 96 | 45 |
| Number of State Park Minor Repair/Maintenance Projects Completed | 360 | 360 |
| **Total, Goal A:** OUTDOOR RECREATION | $ 142,542,932 | $ 95,034,779 |
| **B. Goal:** REACH NEW CONSTITUENCIES<br>To broaden efforts to reach new constituencies through natural and cultural resource education, outreach programs, and by increasing recreational opportunities. | | |
| **Outcome (Results/Impact):** | | |
| Annual Percent Change in Opportunities Provided for Target User Groups | (50)% | (50)% |
| **B.1.1. Strategy:** PUBLIC AWARENESS AND OUTREACH<br>Design and implement outreach programs which effectively communicate the agency's natural and cultural resource conservation messages while expanding fishing, hunting, and wildlife viewing opportunities for targeted user groups. | $ 6,500,202 | $ 6,500,202 |
| **Output (Volume):** | | |
| Number of Students Trained in Hunter Education | 33,600 | 33,600 |
| Number of Students Trained in Boater Education | 10,000 | 10,000 |

| | | | | |
|---|---|---|---|---|
| **B.1.2. Strategy:** LOCAL PARKS | $ | 13,286,731 | $ | 13,286,731 |
| Provide grants and technical assistance to strengthen the ability of local governments and eligible nonprofit entities to provide indoor and outdoor recreation opportunities. | | | | |
| **Output (Volume):** | | | | |
| Number of Grant Assisted Projects Completed | | 60 | | 60 |
| **Total, Goal B:** REACH NEW CONSTITUENCIES | $ | 19,786,933 | $ | 19,786,933 |
| **C. Goal:** RESOURCE PROTECTION | | | | |
| To protect fish and wildlife resources and their habitat and manage the natural and cultural heritage of Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Total Projects and Activities Requiring Department Review that Avoid or Minimize Adverse Impacts to Fish, Wildlife, or Their Habitats | | 90% | | 90% |
| Percent of Private Land Acreage in Texas Managed to Enhance Wildlife | | 10.5% | | 10.5% |
| **C.1.1. Strategy:** LAW ENFORCEMENT | $ | 33,783,747 | $ | 33,783,747 |
| Supervise the users of natural resources in Texas and ensure public safety on state waterways. | | | | |
| **Output (Volume):** | | | | |
| Miles Patrolled in Vehicles (in Millions) | | 9.8 | | 9.8 |
| Hours Patrolled in Boats | | 107,737 | | 110,784 |
| Number of Criminal Environmental Investigations Conducted | | 42 | | 42 |
| **C.2.1. Strategy:** MANAGE FISH AND WILDLIFE | $ | 33,838,867 | $ | 33,838,867 |
| Conserve and manage Texas fish, wildlife, and plant resources. | | | | |
| **Output (Volume):** | | | | |
| Number of Pollution and Fish Kill Complaints Investigated | | 285 | | 285 |
| Number of Active Management Agreements with Landowners | | 4,127 | | 4,318 |
| Number of Commercial Fishing Licenses Purchased | | 262 | | 262 |
| **Total, Goal C:** RESOURCE PROTECTION | $ | 67,622,614 | $ | 67,622,614 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 7,421,459 | $ | 7,421,463 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 6,130,974 | $ | 6,130,974 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 2,549,451 | $ | 2,549,451 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 16,101,884 | $ | 16,101,888 |
| **Grand Total,** PARKS AND WILDLIFE DEPARTMENT | $ | 246,054,363 | $ | 198,546,214 |

**Method of Financing:**

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 12,245,645 | $ | 12,146,995 |
| Unclaimed Refunds of Motorboat Fuel Tax | | 14,085,191 | | 14,085,191 |
| Boat and Boat Motor Sales and Use Tax | | 5,300,000 | | 5,300,000 |
| Sporting Goods Tax - Transfer to: | | | | |
| State Parks Account No. 064 | | 15,500,000 | | 15,500,000 |
| Texas Local Parks, Recreation and Open Space Account No. 467 | | 4,000,000 | | 4,000,000 |
| Texas Parks and Wildlife Capital Account No. 5004 | | 1,000,000 | | 1,000,000 |
| Subtotal, General Revenue Fund | $ | 52,130,836 | $ | 52,032,186 |
| General Revenue Fund - Dedicated | | | | |
| Game, Fish and Water Safety Account No. 009 | | 73,172,938 | | 70,122,645 |
| State Parks Account No. 064 | | 18,481,637 | | 18,296,586 |
| Artificial Reef Account No. 679 | | 526,442 | | 476,442 |

| | | | | |
|---|---|---|---|---|
| Texas Local Parks, Recreation and Open Space Account No. 467 | | 4,871,703 | | 4,871,703 |
| Non-Game and Endangered Species Conservation Account No. 506 | | 23,315 | | 23,315 |
| Lifetime License Endowment Account No. 544 | | 12,287 | | 12,287 |
| Texas Parks and Wildlife Capital Account No. 5004 | | 265,160 | | 107,000 |
| Shrimp License Buy Back Account No. 5023 | | 96,000 | | 96,000 |
| Big Bend National Park Account No. 5030 | | 66,650 | | 66,650 |
| Waterfowl/Wetland Conservation License Plates Account No. 5057 | | 33,000 | | 33,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 97,549,132 | $ | 94,105,628 |
| Federal Funds | | 48,257,629 | | 47,527,970 |
| Other Funds | | | | |
| Appropriated Receipts | | 4,345,877 | | 4,345,877 |
| Texas Parks Development Fund No. 408 (General Obligation Bonds) | | 5,286,771 | | 0 |
| Interagency Contracts | | 250,000 | | 250,000 |
| Bond Proceeds - General Obligation Bonds | | 28,790,000 | | 0 |
| Bond Proceeds - Revenue Bonds | | 9,444,118 | | 284,553 |
| Subtotal, Other Funds | $ | 48,116,766 | $ | 4,880,430 |
| **Total, Method of Financing** | $ | 246,054,363 | $ | 198,546,214 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 2,903.4 | | 2,904.4 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 5 | | $115,000 | | $115,000 |
| Per Diem of Commission Members | | 5,400 | | 5,400 |
| **Supplemental Appropriations Made in Riders:** | $ | 14,900,000 | $ | 14,900,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 105,234,708 | $ | 105,277,419 |
| Other Personnel Costs | | 5,908,813 | | 5,908,813 |
| Professional Fees and Services | | 11,978,587 | | 11,978,589 |
| Fuels and Lubricants | | 2,988,391 | | 2,988,391 |
| Consumable Supplies | | 855,363 | | 855,363 |
| Utilities | | 7,540,344 | | 7,540,344 |
| Travel | | 2,476,102 | | 2,476,102 |
| Rent - Building | | 1,503,787 | | 1,503,787 |
| Rent - Machine and Other | | 2,455,820 | | 2,455,820 |
| Debt Service | | 5,676,350 | | 5,577,700 |
| Other Operating Expense | | 34,352,480 | | 34,376,272 |
| Grants | | 18,320,499 | | 18,320,499 |
| Capital Expenditures | | 61,663,119 | | 14,187,115 |
| **Total, Object-of-Expense Informational Listing** | $ | 260,954,363 | $ | 213,446,214 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Land and Other Real Property | | | | |
| (1) Land Acquisition | $ | 3,550,000 | $ | 3,550,000 |
| b. Construction of Buildings and Facilities | | | | |
| (1) Construction and Major Repairs | | 48,464,623 | | 1,055,120 |
| c. Acquisition of Information Resource Technologies | | | | |
| (1) Mainframe upgrades, microcomputers, and other equipment | | 656,000 | | 747,282 |
| d. Transportation Items | | | | |
| (1) Purchase of Replacement Vehicles | | 1,709,212 | | 1,709,212 |
| (2) Purchase of New Vehicles | | 45,000 | | 22,500 |
| Total, Transportation Items | $ | 1,754,212 | $ | 1,731,712 |
| e. Acquisition of Capital Equipment and Items | | | | |
| (1) Office, field, marine and lab equipment | | 1,297,845 | | 1,257,845 |
| Total, Capital Budget | $ | 55,722,680 | $ | 8,341,959 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund - Dedicated | | | | |
| Texas Parks and Wildlife Capital Account No. 5004 | $ | 158,160 | $ | 0 |
| Game, Fish and Water Safety Account No. 009 | | 5,542,991 | | 2,494,904 |
| State Parks Account No. 064 | | 600,414 | | 441,935 |
| Artificial Reef Account No. 679 | | 50,000 | | 0 |
| Subtotal, General Revenue Fund - Dedicated | $ | 6,351,565 | $ | 2,936,839 |
| Federal Funds | | 5,884,779 | | 5,155,120 |
| Other Funds | | | | |
| Appropriated Receipts | | 250,000 | | 250,000 |
| Bond Proceeds - General Obligation Bonds | | 28,790,000 | | 0 |
| Bond Proceeds - Revenue Bonds | | 9,159,565 | | 0 |
| Texas Parks Development Fund No. 408 (General Obligation Bonds) | | 5,286,771 | | 0 |
| Subtotal, Other Funds | $ | 43,486,336 | $ | 250,000 |
| Total, Method of Financing | $ | 55,722,680 | $ | 8,341,959 |

2. **Appropriation: Escrow Accounts.** Included in the amounts appropriated above in Strategy A.1.1, Public Hunting and Fishing, are any unexpended balances as of August 31, 2003, and any revenue received during this biennium (not to exceed $900,000 each fiscal year in Game, Fish, and Water Safety Account No. 9, and $12,287 each fiscal year in Lifetime License Endowment Account No. 544), consisting of either principal or interest, from trust or escrow accounts set up to benefit the Parks and Wildlife Department.

3. **Authorization: Purchase of Evidence.** From the amounts appropriated above, the Parks and Wildlife Department is hereby authorized to establish a cash fund, for the purchase of evidence and/or information and surveillance deemed necessary by the department for enforcement of laws under the Parks and Wildlife Code.

4. **Authorization: Acceptance of Payment with Goods and Services.** The Parks and Wildlife Department is hereby authorized to accept goods and/or services in lieu of cash for sales of products or rights on the department's public land areas. These goods and services may be on the same public land area as the product or right sold or any other public land area. In order to procure the goods and services in the amounts needed that equal the value of products or rights sold, an escrow bank account may be utilized.

5. **Commissioned Peace Officer Compensation.** The Executive Director of the Parks and Wildlife Department may not provide for the compensation of a state-commissioned peace officer at a rate less than the rate paid by any other state agency to a state-commissioned peace officer performing similar duties.

6. **Outreach Programs.** Out of amounts appropriated above in Strategy B.1.2, Local Parks, the Parks and Wildlife Department shall continue partnership projects by contracting an amount equal to $156,250 in each fiscal year of the 2004–05 biennium in partnership programs for underserved populations.

7. **Appropriation: Unexpended Balances for Construction Projects.** Included in amounts appropriated above in strategies A.1.1, Public Hunting and Fishing, A.2.1, Operate State Parks, and A.2.2, Capital Programs, are unexpended balances from appropriations previously made for construction, repair, acquisition, and renovation projects in House Bill No. 1, Acts of the Seventy-sixth Legislature, Regular Session and Senate Bill No. 1, Acts of the Seventy-seventh Legislature, Regular Session. These unexpended balances are appropriated for the same purposes that the appropriations were originally made, and are not to exceed $47,409,503 out of the following funds:

| | |
|---|---|
| General Revenue – Dedicated Accounts | |
| Game, Fish, and Water Safety Account No. 9 | $ 3,050,297 |
| State Parks Account No. 64 | $ 185,051 |
| Texas Parks and Wildlife Capital Account No. 5004 | $ 158,160 |
| Artificial Reef Account No. 679 | $ 50,000 |
| Federal Funds | $ 729,659 |
| Other Funds | |
| Bond Proceeds - General Obligation Bonds | $ 34,076,771 |
| Bond Proceeds - Revenue Bonds | $ 9,159,565 |

Any unexpended balances remaining in such appropriation items at August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004. Any appropriation made in this Act to the Parks and Wildlife Department for construction and improvement projects shall include labor and all necessary costs involved in the project. It is provided, however, that the Parks and Wildlife Department shall provide the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts a report by no later than December 1 of each fiscal year showing the progress and costs of all projects funded by appropriations made by the Seventy-sixth and the Seventy-seventh Legislatures.

8. **Construction and Land Owner Incentive Grants.** Funds appropriated for local parks that are utilized for grants awarded for local park construction projects in excess of $25,000 and landowner incentive grants shall be treated as construction appropriations for the purpose of

determining the life of the appropriation under the provisions of § 403.071, Government Code. It is provided, however, that the Parks and Wildlife Department shall provide the Governor and the Legislative Budget Board a status report at the close of each fiscal year showing the progress and costs for any grant for local park construction projects and landowner incentive grants not completed within two years of the date the grant was awarded.

9. **State Parks, Community Concerns, and Inmate Labor.** The Parks and Wildlife Department is directed to give priority to community concerns regarding state parks, and may use inmates from the Texas Department of Criminal Justice to provide labor for park development and repair, and to provide labor for cleanup at beaches within state parks.

10. **Fund Transfer Authority.** The Parks and Wildlife Department is hereby authorized to transfer funds between any funds/accounts authorized by the Parks and Wildlife Code in order to alleviate cash flow problems during the biennium. All funds transferred must be returned to the original fund/account before the end of the biennium.

11. **Clothing Provision.** It is the intent of the Legislature that no funds may be expended to provide a clothing or cleaning allowance to any non-uniformed personnel. The department may continue to expend funds for a cleaning allowance not to exceed $500 per year.

12. **Lease Payments.** Included in amounts appropriated above in Strategy A.2.2, Capital Programs, are lease payments of $5,676,350 in fiscal year 2004 and $5,577,700 in fiscal year 2005 out of the General Revenue Fund which shall be transferred to the Texas Public Finance Authority for debt service payments on revenue bonds or other revenue obligations as authorized by § 13.0045, Parks and Wildlife Code.

13. **Appropriation: State-owned Housing Authorized.** Employees designated by the department at each state park, wildlife management area and hatchery are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, § 11.09, State Owned Housing – Recover Housing Costs. It is provided, however, that the Parks and Wildlife Department will report biennially to the Legislative Budget Board and the Governor, the race, gender, and ethnicity, position title and classification, and salary of employees that reside in state-owned housing.

    Included in the amounts appropriated above is rental income collected from employee housing (estimated to be $61,000 in Appropriated Receipts each fiscal year in Strategy A.1.1, Public Hunting and Fishing, and estimated to be $125,000 in Appropriated Receipts each fiscal year in Strategy A.2.1, Operate State Parks) for maintenance of employee housing.

14. **Indoor Recreation Facilities.** Included in the amounts appropriated above in Strategy B.1.2, Local Parks, are interest earnings accrued as of August 31, 2003, and earned through the biennium ending August 31, 2005, in the Texas Local Parks and Recreation Account No. 467. From this account, the Department shall use an amount equal to $500,000 of the total amount allocated for grants in Strategy B.1.2, Local Parks for the 2004–05 biennium to fund local grants for the development of indoor recreation facilities. Any unexpended balances of such appropriations on August 31, 2004 is appropriated for the same purpose for the fiscal year beginning September 1, 2004.

15. **Appropriation: License Plate Receipts.** Included in amounts appropriated above in Strategy A.2.1, Operate State Parks, and Strategy C.2.1, Manage Fish and Wildlife, are all balances and revenue collected on or after September 1, 2003 (not to exceed $66,650 in Big Bend National Park Account No. 5030 and $33,000 in Waterfowl and Wetland Conservation License Plates Account No. 5057 in each fiscal year) from the sale of license plates as provided by the Texas Department of Transportation Code §§ 502.295 and 502.303.

16. **Limitation on Out-of-State Travel.** None of the funds appropriated above to the Parks and Wildlife Department may be expended for travel outside the State of Texas if such expenditures cause total out-of-state travel expenditures during each fiscal year to exceed an amount equal to 75 percent of out-of-state travel expenditures for the fiscal year ending August 31, 2000.

17. **Appropriation: Land Sale Proceeds.** Included in amounts appropriated above to the Parks and Wildlife Department in Strategy A.2.2, Capital Programs are all proceeds collected on or after September 1, 2003 and any balances as of August 31, 2003, from the sale of land (estimated to be $500,000 in Appropriated Receipts). In accordance with Parks and Wildlife Code § 13.009, the proceeds may only be used to improve or acquire other real property dedicated to the same purpose for which the land sold was dedicated.

18. **Appropriation of Receipts out of General Revenue–Dedicated Accounts.** The Parks and Wildlife Department is hereby appropriated any revenues, including concession revenues, deposited to the General Revenue–Dedicated Game, Fish and Water Safety Account No. 9 and the General Revenue-Dedicated State Parks Account No. 64 for the biennium beginning September 1, 2003 that exceed $89,540,000 per fiscal year in Game, Fish and Water Safety Account No. 9, and $28,873,000 per fiscal year in State Parks Account No. 64 (estimated to be $31,500,000 for the biennium). However, appropriation of these revenues must not result in a decrease in the balances of these two General Revenue–Dedicated Accounts on August 31, 2003 as estimated by the Comptroller of Public Accounts. The department is specifically authorized to expend these funds for purposes authorized by the Parks and Wildlife Code. Out of the anticipated additional revenue collections in Game, Fish and Water Safety Account No. 9, $1,200,000 is allocated to establish a Golden Alga Mitigation program, and $500,000 is allocated to establish a statewide Aquatic Vegetation Control program, and is appropriated above in Strategy C.2.1, Manage Fish and Wildlife.

    Furthermore, the department is authorized to expend these funds only to the extent that such expenditures comply with limitations established for salary, travel and capital expenditures, employment levels and other provisions contained in Article IX of this Act. However, the Department is specifically authorized to increase the FTE cap by an amount not to exceed 134.0 per fiscal year, provided that the Comptroller finds that adding these positions will not result in a decrease in the Fiscal Year 2003 ending balances in Game, Fish and Water Safety Account No. 9 and State Parks Account No. 64. Prior to expending any revenue collections to State Parks Account No. 64 and Game, Fish and Water Safety Account No. 9, the Parks and Wildlife Department shall report the purpose and amounts of the expenditure to the Legislative Budget Board and the Governor.

    If revenue collections are sufficient to allow for department expenditures, the Legislative Budget Board (in consultation with the Governor) is authorized to make the following cumulative and incremental changes to key performance measure targets:

| | 2004 | 2005 |
|---|---|---|
| Annual Percent Change in Opportunities for Targeted User Groups | 1.5% | 3.0% |
| Miles Patrolled in Vehicles (in millions) | 0.7 | 0.7 |
| Hours Patrolled in Boats | 6,877 | 7,071 |
| Number of Criminal Environmental Investigations Conducted | 3 | 3 |
| Number of Pollution and Fish Kill Complaints Investigated | 15 | 15 |

19. **Reporting Requirements: Capital Equipment.** The department shall submit a report semiannually to the Legislative Budget Board and the Governor which documents all leases, purchases, donations, or acquisitions of major capital items. The capital equipment itemized in the report shall include, at a minimum, boats, motors, and other water safety equipment; vehicles; computers; and radio equipment. The report shall identify which strategy within the agency's budget is the source of funding for the item; the method of finance for the item; the cost or value of the item; the date the item was acquired; and the law enforcement district and region or state park to which the item has been delivered.

20. **Reporting Requirements: Full-Time Equivalent Positions.** The department shall submit a monthly report to the Legislative Budget Board and the Governor which lists the number of authorized, budgeted, and filled positions in Strategy C.1.1, Law Enforcement. The report must include the classification of each position.

21. **Reporting Requirements: Game Warden Academies.** The department shall submit an annual plan to ensure the fulfilment of the agency's FTEs for Game Wardens. The department shall submit a report to the Legislative Budget Board and the Governor within 30 days of the completion of a Game Warden Academy which lists the total number of applicants, the number selected to attend the academy, and the number who successfully complete the academy. The report shall include the race, ethnicity, gender, prior law enforcement experience, and educational background of all applicants; the applicants selected to attend the academy; the graduates of the academy; and those graduates who accepted positions with the agency.

22. **Land Acquisition.** Included in amounts appropriated above in Strategy A.2.2, Capital Programs, is $3,550,000 each fiscal year in federal funds and appropriated receipts to acquire land. Prior to the expenditure of any funds appropriated above for land acquisition, the department is required to report the following to the Legislative Budget Board and the Governor: the purpose, acreage and location of the acquisition; whether the acquisition is within, adjacent, or provides increased access to existing Parks and Wildlife Department lands or represents a new acquisition; the acquisition cost, including the cost per acre; and the estimated cost of operating and maintaining the land, including full-time positions, capital equipment and/or development costs. Any additional expenditures or reimbursements resulting from the acquisition of land must comply with any restrictions on expenditures or reimbursements contained in Article IX of this Act.

23. **Golden Alga.** Out of funds appropriated above in Strategy C.2.1, Manage Fish and Wildlife, a total of $1,200,000 for the biennium is allocated from Game, Fish, and Water Safety Account No. 9 from increased fees generated on or after September 1, 2003 for the coordination of interagency efforts to mitigate the adverse impact of Golden Alga (Prymnesium parvum) in Texas public lakes and rivers. The Parks and Wildlife Department shall use all available management strategies, including restocking to recover affected fisheries as appropriate and when success is reasonably assured.

24. **Statewide Aquatic Vegetation Control Program.** Out of funds appropriated above in Strategy C.2.1, Manage Fish and Wildlife, $250,000 per fiscal year is allocated from Game, Fish and Water Safety Account No. 9 from increased boat registration fees generated on or after September 1, 2003 for the operation and maintenance of a statewide aquatic vegetation control program.

25. **Property Sale: Eagle Mountain Lake.** Notwithstanding other provisions contained in this Act, proceeds from the sale of land located in a county which has a population of more than one million and two cities with a population greater than 300,000 that occur before August 31, 2005 are not appropriated to the Parks and Wildlife Department.

26. **Headquarters-based Vehicles.** It is the intent of the Legislature that at any given point and time during the 2004–05 biennium, no more than 60 vehicles be assigned to the Parks and Wildlife Department Headquarters facility located in Austin, Texas.

## RAILROAD COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENVIRONMENTAL PROTECTION | | |
| Assure that Texas fossil fuel energy production, storage and delivery is conducted to minimize harmful effects on the state's environment and to preserve natural resources. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations | 25% | 26% |
| Percentage of Known Orphaned Wells Plugged with the Use of State Funds | 3.9% | 2.9% |
| **A.1.1. Strategy:** MONITORING AND INSPECTIONS | $ 11,661,475 | $ 12,004,057 |
| Assure that permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions. | | |
| **Output (Volume):** | | |
| Number of Oil and Gas Facility Inspections Performed | 103,500 | 103,500 |
| Number of Oil and Gas Environmental Permit Applications and Reports Processed | 87,638 | 87,638 |
| Number of Coal Mining Inspections Performed | 0 | 0 |
| **Efficiencies:** | | |
| Average Number of Oil and Gas Facility Inspections Performed Per District Office Staff | 850 | 850 |
| **Explanatory:** | | |
| Number of Oil and Gas Wells and Other Related Facilities Subject to Regulation | 361,282 | 361,033 |
| **A.2.1. Strategy:** REMEDIATION, RECLAMATION & PLUGGING | $ 14,885,227 | $ 12,149,112 |
| Protect public health and the environment by identifying, assessing and prioritizing wells, sites or mine lands that require the use of state funds for remediation or reclamation and provide assistance for operator initiated corrective actions. | | |
| **Output (Volume):** | | |
| Number of Wells Plugged with the Use of State Funds | 665 | 486 |
| Number of Pollution Sites Investigated, Assessed, or Cleaned up with the Use of State Funds | 151 | 110 |
| Total Aggregate Plugging Depth of Wells Plugged with the Use of State Funds (in Linear Feet) | 1,060,000 | 826,000 |
| **Total, Goal A:** ENVIRONMENTAL PROTECTION | $ 26,546,702 | $ 24,153,169 |
| **B. Goal:** SAFETY PROGRAMS | | |
| Advance safety in the delivery and use of Texas petroleum products and in the operation of the Texas Rail System through training, monitoring and enforcement. | | |
| **Outcome (Results/Impact):** | | |
| Average Number of Pipeline Safety Violations Per Equivalent 100 Miles of Pipe Identified through Inspections | 3 | 3 |
| **B.1.1. Strategy:** PIPELINE AND LP GAS SAFETY | $ 4,193,649 | $ 4,193,776 |

| | | | | |
|---|---|---|---|---|
| Ensure the safe operation of pipelines and LPG/CNG/LNG businesses through licensing and permitting, field inspections, accident investigations and emergency response. | | | | |
| **Output (Volume):** | | | | |
| Number of Pipeline Safety Inspections Performed | | 2,750 | | 2,750 |
| # of LPG/LNG/CNG Safety Inspections Performed | | 15,000 | | 15,000 |
| **Efficiencies:** | | | | |
| Average Number of Pipeline Field Inspections per Field Inspector | | 100 | | 100 |
| **B.1.2. Strategy:** RAIL SAFETY | $ | 1,250,957 | $ | 1,249,765 |
| Ensure safety through inspections of railroad facilities, equipment, and operations; and public education on rail grade crossings. | | | | |
| **Output (Volume):** | | | | |
| Number of Rail Units Inspected | | 49,000 | | 49,000 |
| **Total, Goal B:** SAFETY PROGRAMS | $ | 5,444,606 | $ | 5,443,541 |
| **C. Goal:** ENERGY RESOURCES | | | | |
| Support the development, management and use of Texas' oil and gas energy resources to protect correlative rights, provide equal and fair energy access to all entities, ensure fair gas utility rates, and promote research and education on the use of alternative fuels. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Oil and Gas Wells That Are Active | | 73% | | 73% |
| **C.1.1. Strategy:** ENERGY RESOURCE DEVELOPMENT | $ | 3,807,838 | $ | 3,807,811 |
| Protect correlative rights and prevent waste while maximizing opportunities for the development of oil and gas resources through well site permitting, production allowables, production rule reviews and exception processing. | | | | |
| **Output (Volume):** | | | | |
| Number of Wells Monitored | | 354,750 | | 354,750 |
| **Efficiencies:** | | | | |
| Average Number of Wells Monitored Per Analyst | | 27,288 | | 27,269 |
| **C.2.1. Strategy:** GAS UTILITY COMPLIANCE | $ | 1,539,832 | $ | 1,536,047 |
| Oversee natural gas utility rates structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of Gas Utility Taxes. | | | | |
| **Output (Volume):** | | | | |
| Number of Gas Utility Dockets Filed | | 80 | | 80 |
| **C.2.2. Strategy:** PROMOTE LP GAS USAGE | $ | 3,763,462 | $ | 3,623,737 |
| Develop and implement research and technical services, marketing, and a public education plan to increase the use of LP gas as an alternative fuel. | | | | |
| **Output (Volume):** | | | | |
| Number of Rebate and Incentive Applications Handled | | 4,250 | | 4,250 |
| **Efficiencies:** | | | | |
| Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue | | 15.5% | | 15.5% |
| **Total, Goal C:** ENERGY RESOURCES | $ | 9,111,132 | $ | 8,967,595 |

| | | | | |
|---|---|---|---|---|
| **D. Goal:** TECHNOLOGICAL ENHANCEMENTS<br>Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Compliance Permits and Performance Reports Filed Electronically through the Electronic Compliance and Approval Process (ECAP) System | | 19% | | 23% |
| **D.1.1. Strategy:** ELECTRONIC GOVERNMENT<br>Collect, maintain, and preserve data submitted to the Commission; provide efficient public access to this information; offer regulated industries a means to conduct their business electronically rather than through paper transactions; and continue conversion of mainframe technologies to Internet-based technology. | $ | 7,596,823 | $ | 6,566,525 |
| **Output (Volume):** | | | | |
| Number of Documents Provided to Customers by Oil and Gas Information Management Services | | 1,095,000 | | 1,040,000 |
| **Grand Total,** RAILROAD COMMISSION | $ | 48,699,263 | $ | 45,130,830 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 25,950,148 | $ | 24,854,381 |
| Earned Federal Funds | | 126,464 | | 129,673 |
| Subtotal, General Revenue Fund | $ | 26,076,612 | $ | 24,984,054 |
| General Revenue Fund - Dedicated | | | | |
| Alternative Fuels Research and Education Account No. 101 | | 2,051,646 | | 1,911,355 |
| Oil Field Cleanup Account No. 145 | | 13,389,769 | | 11,833,356 |
| Subtotal, General Revenue Fund - Dedicated | $ | 15,441,415 | $ | 13,744,711 |
| Federal Funds | | 4,892,672 | | 4,113,501 |
| Other Funds | | | | |
| Appropriated Receipts | | 1,716,747 | | 1,716,747 |
| Interagency Contracts | | 571,817 | | 571,817 |
| Subtotal, Other Funds | $ | 2,288,564 | $ | 2,288,564 |
| **Total, Method of Financing** | $ | 48,699,263 | $ | 45,130,830 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 757.9 | | 757.9 |
| **Number of FTEs in Riders:** | | 39.0 | | 39.0 |
| **Schedule of Exempt Positions:** | | | | |
| Railroad Commissioner, Group 4 | | (3) $92,217 | | (3) $92,217 |
| **Supplemental Appropriations Made in Riders:** | $ | 1,958,661 | $ | 1,950,161 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 30,723,158 | $ | 30,723,159 |
| Other Personnel Costs | | 872,969 | | 872,970 |
| Operating Costs | | 1,275,533 | | 0 |
| Professional Fees and Services | | 3,847,773 | | 3,995,973 |
| Fuels and Lubricants | | 411,828 | | 411,828 |

| | | | | |
|---|---|---|---|---|
| Consumable Supplies | | 266,247 | | 266,249 |
| Utilities | | 307,227 | | 307,226 |
| Travel | | 518,035 | | 518,033 |
| Rent - Building | | 519,016 | | 536,336 |
| Rent - Machine and Other | | 448,052 | | 448,052 |
| Other Operating Expense | | 9,642,753 | | 8,156,436 |
| Capital Expenditures | | 1,825,333 | | 844,729 |
| **Total, Object-of-Expense Informational Listing** | $ | 50,657,924 | $ | 47,080,991 |

1. **Capital Budget.** Funds appropriated above may be expended for capital budget items listed below. The amounts identified for each item may be adjusted or expended on other capital expenditures, subject to the aggregate dollar restrictions on capital budget expenditures provided in the General Provisions of this Act.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Oil and Gas Technology Migration | $ | 231,859 | $ | 0 |
| (2) Information Technology Infrastructure Upgrade | | 135,900 | | 54,855 |
| Total, Acquisition of Information Resource Technologies | $ | 367,759 | $ | 54,855 |
| b. Transportation Items | | | | |
| (1) Vehicle Replacements | | 892,124 | | 766,374 |
| c. Acquisition of Capital Equipment and Items | | | | |
| (1) Field Office Telephone System Upgrade | | 30,000 | | 0 |
| Total, Capital Budget | $ | 1,289,883 | $ | 821,229 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 475,433 | $ | 166,228 |
| General Revenue Fund - Dedicated | | | | |
| Alternative Fuels Research and Education Account No. 101 | | 88,710 | | 81,001 |
| Oil Field Cleanup Account No. 145 | | 642,390 | | 501,000 |
| Subtotal, General Revenue Fund - Dedicated | $ | 731,100 | $ | 582,001 |
| Federal Funds | | 83,350 | | 73,000 |
| Total, Method of Financing | $ | 1,289,883 | $ | 821,229 |

2. **Unexpended Balance and Estimated Appropriation Authority: Alternative Fuels Research and Education Account.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage in fiscal year 2004, are balances remaining in the Alternative Fuels Research and Education (AFRED) Account No. 101 as of August 31, 2003 (estimated to be $140,291) to be used during the biennium beginning on September 1, 2003. In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional revenues received and deposited in the AFRED Account No. 101 in accordance with Natural Resources Code, § 113.243.

3. **Transfer Authority.** Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Texas Railroad Commission is hereby authorized to direct agency resources and transfer such amounts appropriated above between appropriation line items.

4. **Appropriation: Unexpended Balances Between Fiscal Years within the Biennium.** Any unexpended balances as of August 31, 2004, in the appropriations made herein to the Railroad Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

5. **Appropriations Limited to Revenue Collections and Contingent Revenue: LPG/CNG/LNG Fees.** It is the intent of the Legislature that revenues collected pursuant to Natural Resources Code §§ 113.082, 113.088, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 and deposited to Revenue Object Codes 3035, 3245, and 3246 in the General Revenue Fund, and $60,000 each fiscal year collected pursuant to Natural Resources Code, § 113.244, and deposited to Revenue Object Code 3034 in the Alternative Fuels Research and Education Account No. 101, cover, at a minimum, the cost of the appropriations made above for the LP Gas Program in Strategy B.1.1, Pipeline and LP Gas Safety (estimated to be $1,194,362 in fiscal year 2004 and $1,248,308 in fiscal year 2005).

   This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004–05 biennium, revenue to cover the appropriations. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004–05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

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

6. **Unexpended Balance and Estimated Appropriation Authority: Oil Field Cleanup Account.** Included in amounts appropriated above in Strategy A.2.1, Remediation, Reclamation, and Plugging, is an amount not to exceed $402,670 in balances remaining in the Oil Field Cleanup Account No. 145 as of August 31, 2003. The agency shall use these funds to carry out duties authorized by Natural Resources Code, Subchapter D, Chapter 91.

   In addition to amounts appropriated above, there is hereby appropriated to the Railroad Commission for the biennium beginning on September 1, 2003, any revenues received in the Oil Field Cleanup Account No. 145 in excess of the Comptroller's Biennial Revenue Estimate for 2004–05.

7. **Fee Appropriation: Liquid Propane (LP) Gas Licensing, Training, and Examination Renewal Fees.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage, is $331,768 in each fiscal year of the biennium in Appropriated Receipts from fees assessed and collected pursuant to Natural Resources Code, § 113.088. These amounts may only be used for the purpose of providing training to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, § 113.088, on or after September 1, 2003, are hereby appropriated to the commission for the same purpose.

8. **Appropriation: Abandoned Mine Land Funds.** Included in amounts appropriated above in Strategy A.2.1, Remediation, Reclamation, and Plugging, is $732,572 in unexpended balances remaining on August 31, 2003 in the Land Reclamation Fund Account No. 454. In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional federal grant funds from the US Department of Interior for the purposes authorized by Natural Resources Code, Chapter 134, Subchapter G, Abandoned Mine Reclamation.

9. **Contingency Appropriation Limited to Revenue Collections and Finding of Fact Issued by the Comptroller of Public Accounts: Surface Mining Permits.** In addition to the amounts appropriated above and contingent on the Railroad Commission increasing surface mining fees collected pursuant to Natural Resources Code, § 164.055, the Commission is hereby appropriated out of the General Revenue Fund surface mining fee revenues in excess of $365,000 each fiscal year to cover the cost of permitting and inspecting coal mining facilities. This appropriation shall not exceed $972,331 in fiscal year 2004 and $968,085 in fiscal year 2005. In addition, the estimated amounts of Federal Funds in the agency's Method of Financing above are hereby increased by $979,330 in fiscal year 2004 and $975,076 in fiscal year 2005, and the estimated amounts of Appropriated Receipts are hereby increased by $7,000 in each fiscal year. The Railroad Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

   This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2004–05 biennium, revenue to cover the General Revenue appropriations. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2004–05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues in excess of those estimated in the Biennial Revenue Estimate, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

   Also contingent on the Commission increasing fees to cover costs of permitting and inspecting coal mining facilities, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by 39 in each fiscal year. In addition, amounts in the Commission's Capital Budget Rider are hereby increased for the following items and in the following amounts. In addition, the following Capital Budget Method of Financing amounts are hereby increased.

| | 2004 | 2005 |
|---|---|---|
| a. Information Technology Infrastructure Upgrade | $ 9,000 | $ 0 |
| b. Vehicle Replacements | $ 23,000 | $ 23,500 |
| Method of Financing: | | |
| General Revenue | $ 10,250 | $ 5,750 |
| Federal Funds | $ 15,750 | $ 11,750 |
| Appropriated Receipts | $ 6,000 | $ 6,000 |

   In addition, the following key measure targets change reflects funding levels contingent upon the Commission raising fees to cover costs of permitting and inspecting coal mining facilities.

| | 2004 | 2005 |
|---|---|---|
| Number of Coal Mining Inspections Performed | 365 | 365 |

## TEXAS RIVER COMPACT COMMISSIONS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** CANADIAN RIVER COMPACT | | |
| The Canadian River Compact will ensure the delivery of Texas' equitable share of quality water from the Canadian River and its tributaries as apportioned by the Canadian River Compact. | | |
| **Outcome (Results/Impact):** | | |
| The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Canadian River Compact | 100% | 100% |
| **A.1.1. Strategy:** WATER DELIVERY ACCOUNTING | $ 19,622 | $ 19,622 |
| Prepare and resolve the annual accounting of water stored by each compacting state. | | |
| **Explanatory:** | | |
| Number of Active Interstate Disputes Regarding the Canadian River Compact Which Could Result in Litigation Involving Texas, Oklahoma, and/or New Mexico | 1 | 1 |
| **B. Goal:** PECOS RIVER COMPACT | | |
| The Pecos River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Pecos River and its tributaries as apportioned by the Pecos River Compact. | | |
| **Outcome (Results/Impact):** | | |
| The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Pecos River Compact | 100% | 100% |
| **B.1.1. Strategy:** WATER DELIVERY ACCOUNTING | $ 111,848 | $ 111,848 |
| Prepare and resolve the annual accounting of water deliveries to Texas by New Mexico as apportioned by the Pecos River Compact and U.S. Supreme Court Decree. | | |
| **Explanatory:** | | |
| Number of Active Interstate Disputes Regarding the Pecos River Compact Which Could Result in Litigation Involving Texas and New Mexico | 0 | 0 |
| **C. Goal:** RED RIVER COMPACT | | |
| The Red River Compact will ensure delivery of Texas' equitable share of quality water from the Red River and its tributaries as apportioned by the Red River Compact. | | |
| **Outcome (Results/Impact):** | | |
| The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Red River Compact | 100% | 100% |
| **C.1.1. Strategy:** WATER DELIVERY ACCOUNTING | $ 29,166 | $ 29,166 |
| Develop and implement an annual accounting system of water deliveries to each compacting state. | | |
| **Explanatory:** | | |
| Number of Active Interstate Disputes Regarding the Red River Compact Which Could Result in Litigation Involving Texas, Oklahoma, Arkansas, and/or Louisiana | 1 | 1 |
| **D. Goal:** RIO GRANDE COMPACT | | |
| The Rio Grande River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Rio Grande and its tributaries as apportioned by the Rio Grande Compact. | | |
| **Outcome (Results/Impact):** | | |
| The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Rio Grande Compact | 100% | 100% |

## TEXAS RIVER COMPACT COMMISSIONS
(Continued)

| | | | | |
|---|---|---|---|---|
| **D.1.1. Strategy:** WATER DELIVERY ACCOUNTING<br>Prepare and resolve the annual accounting of water deliveries to Texas by Colorado and New Mexico as apportioned by the Rio Grande Compact. | $ | 127,686 | $ | 127,686 |
| **Explanatory:**<br>Number of Active Interstate Disputes Regarding the Rio Grande Compact Which Could Result in Litigation Involving Texas, Colorado, and/or New Mexico | | 1 | | 1 |
| **E. Goal:** SABINE RIVER COMPACT<br>The Sabine River Compact will ensure delivery of Texas' equitable share of quality water from the Sabine River and its tributaries as apportioned by the Sabine River Compact. | | | | |
| **Outcome (Results/Impact):**<br>The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Sabine River Compact | | 100% | | 100% |
| **E.1.1. Strategy:** WATER DELIVERY ACCOUNTING<br>Prepare and resolve the annual accounting of water diversions by Texas and Louisiana as apportioned by the Sabine River Compact. | $ | 48,887 | $ | 48,887 |
| **Explanatory:**<br>Number of Active Interstate Disputes Regarding the Sabine River Compact Which Could Result in Litigation Involving Texas and Louisiana | | 0 | | 0 |
| **Grand Total,** TEXAS RIVER COMPACT COMMISSIONS | $ | 337,209 | $ | 337,209 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 7.5 | | 7.5 |
| **Schedule of Exempt Positions:** | | | | |
| Red River Compact Commissioner | | $24,225 | | $24,225 |
| Rio Grande Compact Commissioner | | 41,195 | | 41,195 |
| Sabine River Compact Commissioner | | (2) 8,487 | | (2) 8,487 |
| Canadian River Compact Commissioner | | 10,767 | | 10,767 |
| Pecos River Compact Commissioner | | 32,247 | | 32,247 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 155,173 | $ | 148,674 |
| Professional Fees and Services | | 166,779 | | 173,278 |
| Utilities | | 2,100 | | 2,100 |
| Travel | | 6,582 | | 6,582 |
| Rent - Machine and Other | | 1,500 | | 1,500 |
| Other Operating Expense | | 5,075 | | 5,075 |
| **Total, Object-of-Expense Informational Listing** | $ | 337,209 | $ | 337,209 |

1. **Out-of-State Travel Exemption Within Compacting States.** Each of the Texas River Compact Commissions is specifically exempt from out-of-state travel expenditure limitations contained in the General Provisions of this Act for travel to any state that is a party to that commission's compact agreement.

## SOIL AND WATER CONSERVATION BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PROTECT TEXAS FARM AND GRAZING LAND<br>To protect and enhance the farm and grazing land of Texas by ensuring that a quality conservation program is available and being applied in all soil and water conservation districts and that funds are being used effectively to increase water yield in targeted areas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of District Financial Needs Met by Soil and Water Conservation Board Grants | 27% | 27% |
| **A.1.1. Strategy:** PROGRAM MGMT. FINAN. & TECH ASSIST<br>Provide program expertise, technical guidance and assistance, and financial assistance on a statewide basis in managing and directing conservation programs. | $ 3,416,385 | $ 3,395,135 |
| **Output (Volume):** | | |
| Number of Contacts with Districts to Provide Conservation Education Assistance | 9,000 | 9,500 |
| **A.1.2. Strategy:** BRUSH CONTROL ASSISTANCE<br>Provide financial and technical assistance to implement brush control projects to increase water yields in targeted watersheds. | $ 14,489,794 | $ 632,805 |
| **Output (Volume):** | | |
| Number of Acres of Brush Treated | 155,000 | 155,000 |
| **Total, Goal A:** PROTECT TEXAS FARM AND GRAZING LAND | $ 17,906,179 | $ 4,027,940 |
| **B. Goal:** NONPOINT SOURCE POLLUTION ABATEMENT<br>To effectively administer a program for the abatement of nonpoint source pollution caused by agricultural and silvicultural uses of the state's soil and water resources. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Agricultural and Silvicultural Operations with a Potential to Cause Nonpoint Pollution in Areas with Approved Total Maximum Daily Loads Having Certified Water Quality Management Plans | 26% | 26% |
| **B.1.1. Strategy:** STATEWIDE MANAGEMENT PLAN<br>Implement and update as necessary a statewide management plan for the control of agricultural and silvicultural nonpoint source water pollution. | $ 4,249,003 | $ 4,422,504 |
| **Output (Volume):** | | |
| Number of Agricultural/Silvicultural Nonpoint Source Site-specific Areas Evaluated for Potential Nonpoint Source Problems | 12 | 12 |
| **B.2.1. Strategy:** POLLUTION ABATEMENT PLANS<br>Develop and implement pollution abatement plans for agriculture/silviculture operations in identified problem areas. | $ 4,132,175 | $ 4,132,175 |
| **Output (Volume):** | | |
| Number of Pollution Abatement Plans Certified | 1,100 | 1,100 |
| **Total, Goal B:** NONPOINT SOURCE POLLUTION ABATEMENT | $ 8,381,178 | $ 8,554,679 |
| **C. Goal:** INDIRECT ADMINISTRATION | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 538,265 | $ 538,265 |
| **Grand Total,** SOIL AND WATER CONSERVATION BOARD | $ 26,825,622 | $ 13,120,884 |

## SOIL AND WATER CONSERVATION BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 11,285,289 | $ | 8,668,299 |
| GR Dedicated - Agricultural Soil and Water Conservation Account No. 563 | | 41,250 | | 30,000 |
| Federal Funds | | 4,249,083 | | 4,422,585 |
| Interagency Contracts | | 11,250,000 | | 0 |
| **Total, Method of Financing** | $ | 26,825,622 | $ | 13,120,884 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 66.0 | | 66.0 |
| **Number of FTEs in Riders:** | | (11.5) | | (23.0) |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $65,000 | | $65,000 |
| Per Diem of Board Members | | 9,000 | | 9,000 |
| **Supplemental Appropriations Made in Riders:** | $ | (1,067,195) | $ | (1,067,196) |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,651,658 | $ | 1,655,657 |
| Other Personnel Costs | | 60,745 | | 60,945 |
| Operating Costs | | 1,513,334 | | 1,219,592 |
| Professional Fees and Services | | 10,075 | | 11,325 |
| Fuels and Lubricants | | 11,500 | | 12,000 |
| Consumable Supplies | | 22,200 | | 23,400 |
| Utilities | | 27,690 | | 27,925 |
| Travel | | 318,400 | | 318,400 |
| Rent - Building | | 139,277 | | 139,477 |
| Rent - Machine and Other | | 16,650 | | 16,900 |
| Client Services | | 15,781,869 | | 2,113,240 |
| Grants | | 6,205,029 | | 6,454,827 |
| **Total, Object-of-Expense Informational Listing** | $ | 25,758,427 | $ | 12,053,688 |

1. **Matching Requirements.** Funds appropriated above for conservation assistance grants for Soil and Water Conservation Districts may be expended only when matched by equal amounts from sources other than state funds or earnings from state funds, not to exceed $7,500 in any district per fiscal year.

2. **Appropriation: Unexpended Balances between Biennia for Soil Conservation Districts.** Included in amounts appropriated above in Strategy A.1.1, Program Management, Financial and Technical Assistance, is $10,000 in unexpended balances in the appropriations made to the Soil and Water Conservation Board for Soil Conservation Districts on August 31, 2003. These amounts shall be used for the purposes provided under the soil conservation statutes.

3. **Appropriation: Unexpended Balances between Fiscal Years for the Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2004, are hereby appropriated for fiscal year 2005 for the same purposes.

4. **Allocation of Grant Funds.** It is the intent of the Legislature that an allocation of 25 percent of Technical Assistance grant funds and funds appropriated to the Soil and Water Conservation Board for the Soil and Water Conservation Districts from the Agricultural Soil and Water Conservation Account shall be made at the beginning of each fiscal year of the 2004-05 biennium. The Soil and Water Conservation Board shall distribute the remaining balance of grant funds to districts on a reimbursement basis during the fiscal year when expenditures are incurred. Grant distributions are made contingent upon districts filing annual technical assistance expenditure summary reports with the Soil and Water Conservation Board.

5. **Appropriation: Waste Water Management Plans for Poultry Operators.** Included in amounts appropriated above in Strategy B.2.1, Pollution Abatement Plans, is $250,000 out of the General Revenue Fund in each fiscal year 2004 and 2005 for additional administrative costs associated with the preparation of waste water management plans for poultry operators.

6. **Brush Control.** Included in the amounts appropriated above in Strategy A.1.2, Brush Control Assistance, in fiscal year 2004 is $3,772,599 in General Revenue for the 2004-05 biennium for the brush control program. Out of this amount for brush control, $250,000 for the biennium is to be spent on brush control feasibility studies and monitoring activities in the Lake Belton and Canyon Lake watersheds. All feasibility studies must include participation by the State Soil and Water Conservation Board, the Texas Cooperative Extension, the Texas Agricultural Experiment Station, and interested local entities, such as river authorities. The remaining amount of $3,522,599 for the biennium is for existing brush control projects and for implementing projects supported by published feasibility studies and designated by the Soil and Water Conservation Board for implementation.

   Also included in amounts appropriated above in Strategy A.1.2, Brush Control Assistance, is an amount not to exceed $100,000 in unexpended balances remaining on August 31, 2003 in the General Revenue appropriation for brush control. These funds shall be used for brush control activities during the biennium beginning on September 1, 2003.

   It is estimated that the amount of General Revenue required for Debt Service Payments for General Obligation Water Bonds for Agricultural Water Conservation Bonds issued by the Water Development Board during the 2002-03 biennium will total $5,390,590 for the 2004-05 biennium. In the event that debt service requirements are less than $5,390,590, the difference is hereby appropriated to the Soil and Water Conservation Board for additional brush control activities in Strategy A.1.2, Brush Control Assistance.

7. **Appropriation: Agricultural Water Conservation Bonds for Brush Control.** Included in the amounts appropriated above in Strategy A.1.2, Brush Control Assistance, for fiscal year 2004 is $11,250,000 in unexpended balances from Interagency Contracts. These amounts are derived from Agricultural Water conservation Bond proceeds to the agency through an interagency agreement between the Soil and Water Conservation Board and the Water Development Board. These funds shall be used for the implementation of brush control cost share projects.

   Any unexpended balances from this appropriation as of August 31, 2004, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

8. **Contingency Reduction to Appropriations: Transfer of Functions and Appropriations of the Soil and Water Conservation Board.** Contingent upon passage of Senate Bill 1828, or similar legislation relating to the transfer of powers, duties, property, obligations and appropriations from the Soil and Water Conservation Board to the Department of Agriculture effective September 1, 2003, it is in the intent of the Legislature that the Department of Agriculture shall generate savings by reducing appropriations out of General Revenue Funds by $1,067,195 in 2004 and $1,067,196 in 2005. In addition, the number of FTEs shall be reduced by 11.5 in 2004 and 23 in 2005.

   The Department of Agriculture shall report the savings amounts and FTE reductions by strategy to the Legislative Budget Board, the Governor's Office and Comptroller of Public Accounts by September 1, 2003 and the Comptroller shall make reductions to the appropriations out of the General Revenue Fund not later than October 1, 2003.

## WATER DEVELOPMENT BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** WATER RESOURCE PLANNING<br>Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Information Available to Adequately Monitor the State's Water Supplies | 78.1% | 78.8% |
| Percent of Eligible Texas Communities and Other Entities Receiving Technical and/or Financial Assistance for Water Planning and Conservation | 10% | 10% |
| **A.1.1. Strategy:** DATA COLLECTION AND DISSEMINATION | $ 10,019,599 | $ 10,058,723 |
| Operate statewide, water-related data collection, integration, dissemination, and evaluation programs that provide public access to adequate information to conduct planning of water resources projects and identify facility needs. | | |
| **Output (Volume):** | | |
| Number of Data Units Collected And/or Processed by Texas Water Development Board Staff in Support of Monitoring, Investigating, and Defining the State's Surface Water and Groundwater Resources | 26,948 | 28,134 |
| Number of Bay and Estuary and Instream Study Elements Completed | 185.2 | 195.2 |
| Number of Responses to Requests for Water Resources Information | 3,000 | 3,000 |
| **Explanatory:** | | |
| Number of Responses to Requests for TNRIS-related Information | 300,000 | 300,000 |
| **A.1.2. Strategy:** WATER PLANNING | $ 10,544,516 | $ 10,306,700 |
| Conduct water planning and financial assistance activites to ensure adequate long-term water supplies, wastewater treatment, and flood protection. | | |
| **Output (Volume):** | | |
| Number of Active Grants for Regional Water, Wastewater, Flood and Research Studies Funded from the Research and Planning Fund | 120 | 120 |
| **A.2.1. Strategy:** CONSERVATION ASSISTANCE | $ 533,080 | $ 528,840 |
| Provide water conservation information, data, and other technical assistance and services to promote increased water use efficiency in Texas. | | |
| **Output (Volume):** | | |
| Number of Responses to Requests for Water Conservation Information, Data, Technical Assistance and Educational Activities Provided by the Texas Water Development Board Staff | 600 | 600 |
| **Total, Goal A:** WATER RESOURCE PLANNING | $ 21,097,195 | $ 20,894,263 |
| **B. Goal:** WATER PROJECT FINANCING<br>Provide cost-effective financing for the development of water supply, for water quality protection and for other water-related projects. | | |
| **Outcome (Results/Impact):** | | |
| Total Dollars Committed as a Percent of Total Financial Assistance Dollars Available | 88.3% | 88.5% |

# WATER DEVELOPMENT BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| Percent of Estimated Total Colonia Population Provided a Construction Funding Commitment for Water or Wastewater Services | | 65.3% | | 67% |
| **B.1.1. Strategy:** FINANCIAL ASSISTANCE | $ | 10,594,236 | $ | 10,828,281 |
| Provide financial assistance to save money for Texas communities for water supply, water quality protection, and other water-related projects. | | | | |
| **Output (Volume):** | | | | |
| Number of Financial Assistance/Loan Commitments Provided to Non-economically Distressed Areas | | 92 | | 97 |
| Total Dollars in Non-EDAP Financial Assistance Commitment Provided to Communities | | 471,000,000 | | 461,000,000 |
| Number of Construction Contracts Managed | | 325 | | 325 |
| **B.1.2. Strategy:** ECONOMICALLY DISTRESSED AREAS | $ | 1,566,293 | $ | 1,745,578 |
| Provide financial assistance to political subdivisions in economically distressed areas (colonias), providing residents access and connections to adequate water supplies and/or wastewater treatment systems and indoor plumbing improvements. | | | | |
| **Output (Volume):** | | | | |
| Number of Completed Colonia or Economically Distressed Areas (Colonia) Projects | | 66 | | 70 |
| **Total, Goal B:** WATER PROJECT FINANCING | $ | 12,160,529 | $ | 12,573,859 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 2,675,975 | $ | 2,681,455 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 943,767 | $ | 943,776 |
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 582,977 | $ | 563,970 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 4,202,719 | $ | 4,189,201 |
| **Grand Total,** WATER DEVELOPMENT BOARD | $ | 37,460,443 | $ | 37,657,323 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 18,830,989 | $ | 19,004,101 |
| Earned Federal Funds | | 469,904 | | 465,586 |
| Subtotal, General Revenue Fund | $ | 19,300,893 | $ | 19,469,687 |
| GR Dedicated - Agricultural Soil and Water Conservation Account No. 563 | | 41,250 | | 30,000 |
| Federal Funds | | 3,814,787 | | 3,819,052 |
| Other Funds | | | | |
| Agricultural Trust Fund No. 562 | | 232,413 | | 232,413 |
| Appropriated Receipts | | 12,615,122 | | 11,793,051 |
| Interagency Contracts | | 224,122 | | 234,314 |
| Water Assistance Fund No. 480 | | 1,231,856 | | 2,078,806 |
| Subtotal, Other Funds | $ | 14,303,513 | $ | 14,338,584 |
| **Total, Method of Financing** | $ | 37,460,443 | $ | 37,657,323 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 311.5 | | 311.5 |

## WATER DEVELOPMENT BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Executive Administrator, Group 4 | | $108,000 | | $108,000 |
| Per Diem of Board Members | | 5,400 | | 5,400 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 16,194,865 | $ | 16,271,445 |
| Other Personnel Costs | | 281,141 | | 292,961 |
| Professional Fees and Services | | 1,133,913 | | 1,130,913 |
| Fuels and Lubricants | | 89,950 | | 89,950 |
| Consumable Supplies | | 226,993 | | 226,992 |
| Utilities | | 218,738 | | 218,738 |
| Travel | | 469,587 | | 469,586 |
| Rent - Building | | 376,923 | | 376,923 |
| Rent - Machine and Other | | 152,732 | | 152,732 |
| Other Operating Expense | | 2,923,388 | | 2,069,953 |
| Grants | | 12,667,920 | | 13,651,826 |
| Capital Expenditures | | 2,724,293 | | 2,705,304 |
| **Total, Object-of-Expense Informational Listing** | $ | 37,460,443 | $ | 37,657,323 |

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

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of Information Resource Technologies | $ | 523,228 | $ | 529,659 |
| (2) Strategic Mapping Pool | | 1,933,869 | | 1,933,868 |
| Total, Acquisition of Information Resource Technologies | $ | 2,457,097 | $ | 2,463,527 |
| b. Transportation Items | | | | |
| (1) Purchase of Vehicles and Boats | | 318,500 | | 274,013 |
| c. Acquisition of Capital Equipment and Items | | | | |
| (1) Gauging and Other Equipment | | 253,543 | | 278,543 |
| d. Other Lease Payments to the Master Lease Purchase Program (MLPP) | | | | |
| (1) Other Lease Payment to the Master Lease Purchase Program, 2002-03 | | 105,658 | | 105,023 |
| Total, Capital Budget | $ | 3,134,798 | $ | 3,121,106 |

Method of Financing (Capital Budget):

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 1,652,929 | $ | 1,641,424 |
| Earned Federal Funds | | 29,453 | | 24,500 |
| Subtotal, General Revenue Fund | $ | 1,682,382 | $ | 1,665,924 |

| | | | | |
|---|---|---|---|---|
| Federal Funds | | 828,399 | | 828,399 |
| Other Funds | | | | |
| Agricultural Trust Fund No. 562 | | 26,938 | | 26,938 |
| Appropriated Receipts | | 536,912 | | 539,678 |
| Interagency Contracts | | 60,167 | | 60,167 |
| Subtotal, Other Funds | $ | 624,017 | $ | 626,783 |
| Total, Method of Financing | $ | 3,134,798 | $ | 3,121,106 |

2. **Transfer Authorized.** Included in amounts appropriated above in Strategy A.1.2, Water Planning, is $3,860,000 in fiscal year 2004 and $4,000,000 in fiscal year 2005 out of the General Revenue Fund to be transferred to the Water Assistance Fund No. 480, for the sole purpose of making grants to regional planning groups pursuant to Water Code, § 15.4061. The Texas Water Development Board is authorized to transfer these funds from the Water Assistance Fund to other accounts as authorized under Water Code, § 15.011 as needed to support the regional planning process.

3. **Safe Drinking Water Act State Revolving Fund.** Included in amounts appropriated above in Strategy B.1.1, Financial Assistance, is up to $3,593,256 out of the General Revenue Fund in each fiscal year of the biennium for the state match portion of the community/non-community water system and economically disadvantaged community accounts established under the Safe Drinking Water Act State Revolving Fund.

4. **Appropriation: Water Assistance Fund.** Included in the amounts appropriated above are balances in the Water Assistance Fund No. 480 as of August 31, 2003 (estimated to be 1,231,856 in fiscal year 2004 and $2,078,806 in fiscal year 2005). In addition to amounts appropriated above, there is hereby appropriated all revenues accruing to the Water Assistance Fund No. 480 during the biennium beginning on September 1, 2003, including receipts from the Water Resources Finance Authority, and any additional balances on hand as of September 1, 2003, in the Fund. These funds shall be used as authorized in Chapter 15, Water Code.

5. **Appropriation: Water Resources Fund.** In addition to amounts appropriated above any monies deposited into the Texas Water Resources Fund No. 591, including but not limited to proceeds from revenue bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act.

6. **Appropriation: Agricultural Water Conservation Fund.** In addition to amounts appropriated above any monies deposited into the Agricultural Water Conservation Fund No. 358, including but not limited to proceeds from agricultural water conservation bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act, for use pursuant to § 50-d of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapter J. There are hereby appropriated such amounts as may be necessary to pay the principal and interest on such bonds that mature or become due during the biennium beginning with the effective date of this Act, pursuant to § 50-d of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapter J, to be transferred to the Agricultural Water Conservation Interest and Sinking Fund No. 359.

7. **Coordination with the Office of Rural and Community Affairs.** The Texas Water Development Board (TWDB) and the Office of Rural and Community Affairs (ORCA) shall continue to coordinate funds out of the Economically Distressed Areas Program (EDAP) administered by the TWDB and the Colonia Fund administered by ORCA as outlined in a Memorandum of Understanding (MOU) to maximize delivery of the funds and minimize administrative delay in their expenditure. At the beginning of each fiscal year of the 2004–05

biennium, the TWDB shall provide the ORCA a list of EDAP-funded areas whose colonia residents cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. No later than September 15, 2004, the TWDB and the ORCA shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts, including an estimate of the amount each agency has saved by reduced duplication of efforts.

8. **Fee Appropriation: State Revolving Fund Program Operation.** Included in the amounts appropriated above is $6,938,673 in fiscal year 2004 and $6,949,317 in fiscal year 2005 in Appropriated Receipts fee revenue collected for the administration and operation of the State Revolving Fund (SRF) Program or additional state revolving funds created under Water Code, Chapter 15, Subchapter J. In addition to the amounts appropriated above, the Water Development Board is hereby appropriated any additional fee revenue collected for administration and operation of revolving fund programs for the biennium beginning September 1, 2003.

   All fee revenue collected pursuant to the SRF program and additional state revolving funds may be deposited into an operating fund held in the Texas Treasury Safekeeping Trust Company. Monies in the SRF or additional SRFs operating fund, including interest, may be used only for the purposes of reimbursing expenditures from appropriations in this Act. Such reimbursement shall include both direct expenditures for salaries and other expenditures and fringe benefits. In addition, the Texas Water Development Board may transfer amounts from the operating fund to the SRF or additional SRFs for uses pursuant to the Water Code, Chapter 15, Subchapter J.

9. **Appropriation: Unexpended Balances in Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.

10. **Use of Texas Water Resources Finance Authority (TWRFA) Funds.** Included in the amounts appropriated above in Strategy A.1.2, Water Planning, is $174,903 in fiscal year 2004 and $178,763 in fiscal year 2005 in Appropriated Receipts derived from cash flows from the Texas Water Resources Finance Authority (TWRFA). Also included in amounts appropriated above in Strategy B.1.1, Financial Assistance, is $443,852 in Appropriated Receipts in each year of the biennium derived from cash flows and reserved as operating costs of TWRFA and used to reimburse TWDB for administrative expenditures incurred by TWDB in administering the TWRFA portfolio.

11. **Appropriation: Unexpended Balances Between Biennia and Between Fiscal Years within the Biennium in the Groundwater District Loan Assistance Fund.** In addition to amounts appropriated above, the Texas Water Development Board is hereby appropriated any unexpended balances as of August 31, 2004, in the appropriation made above out of the Groundwater District Loan Assistance Fund No. 363 as of August 31, 2003. Any unexpended balances as of August 31, 2004 are hereby appropriated for the fiscal year beginning September 1, 2004.

12. **Appropriation: Playa Lakes Recharge Characteristics.** Included in the amounts appropriated above in Strategy A.1.2, Water Planning, is $275,000 out of the General Revenue Fund for the fiscal year beginning September 1, 2003 to be used for research and studies relating to increasing the aquifer recharge characteristics of the Playa Lakes, existing Natural Resource Conservation Service dams, and other water retention structures across the High Plains of Texas under Water Code, §§ 16.012 and 16.015. Pursuant to Water Code, § 16.019, the Board may enter into contracts for research, permitting and other activities necessary to increase the storage capacity of such reservoirs to allow the studies to be conducted.

Any unexpended balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

13. **Rural Community Water and Wastewater Loan Program.** Included in the amounts appropriated above in Strategy B.1.1, Financial Assistance, is $830,000 in Appropriated Receipts in fiscal year 2004 from proceeds from the sale of the Texas Water Development Board's portfolio to the Texas Water Resources Finance Authority (TWRFA) to be used as loans for the Rural Community Water and Wastewater Loan (RCWWL) program. Any balances remaining in this appropriation on August 31, 2004 are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

    In addition to amounts appropriated above, any balances remaining on August 31, 2003, from appropriations made to the RCWWL program, are hereby appropriated for the same purpose for the biennium beginning September 1, 2003.

14. **Appropriation: Cost Recovery for the State Participation Program.** Included in the amounts appropriated above to the Texas Water Development Board in Strategy B.1.1, Financial Assistance, is $127,541 in Appropriated Receipts in each fiscal year of the 2004–05 biennium in revenues collected for the administration and operation of the State Participation Program to be used for those purposes.

    In addition to the amounts appropriated above, there is hereby appropriated to the Texas Water Development Board any additional revenues collected for the administration and operation of the State Participation Program for the same purposes.

15. **Texas Water Resources Finance Authority Development Fund Transfer.** Any asset transfers from the Development Fund I as provided for in Article 49-d-8, Texas Constitution, shall be transferred to the Financial Assistance Account of Development Fund II.

16. **Appropriation: Colonia Self-Help Account.** Out of amounts appropriated above out of the Water Assistance Fund No. 480 in Strategy B.1.2, Economically Distressed Areas, the Texas Water Development Board may transfer funds to the Colonia Self-Help Account No. 5076. These amounts are hereby appropriated to the agency for the purpose of reimbursing entities for expenses incurred in association with self-help projects, pursuant to Subchapter P, Chapter 15, Water Code.

17. **Water Infrastructure Account.** In addition to the amounts appropriated above, there is hereby appropriated to the Texas Water Development Board (TWDB) available balances in the Water Infrastructure Account No. 5067, money that TWDB may place into the Water Infrastructure Account from any sources legally available, including but not limited to proceeds from bonds issued by the Board, money transferred to the fund, and any revenues that may accrue to the Water Infrastructure Account.

18. **Desalination Grants.** Out of amounts appropriated above, the Water Development Board is hereby authorized to use up to $1.5 million out of the Water Assistance Fund No. 480 during the biennium beginning on September, 1, 2003, for competitively awarded grants for desalination research and regional studies.

19. **Rural Water Assistance Fund.** In addition to the amounts appropriated above, there is hereby appropriated to the Texas Water Development Board (TWDB) available balances in the Rural Water Assistance Fund, money that TWDB may place into the Rural Water Assistance Fund from any sources legally available, including but not limited to proceeds from bonds issued by the Board, money transferred to the fund, and any revenues that may accrue to the Rural Water Assistance Fund.

20. **Economically Disadvantaged Community Account.** Funds previously appropriated to the Texas Water Development Board for the Community/Noncommunity Water System Financial Assistance Account of the Safe Drinking Water Revolving Fund (SDWRF) and any interest earned on such funds may be transferred by the Board in whole or in part to the Economically Disadvantaged Community Account of the SDWRF for authorized use.

21. **Appropriation: Financial Assistance to Unincorporated Communities.** Out of amounts appropriated above out of Water Assistance Fund No. 480, the Water Development Board is hereby authorized to use $400,000 in funds originally appropriated to the agency by the Seventy-sixth Legislature to provide grants to counties for the relocation of residents unable to utilize funds as originally intended. These funds shall be used to serve unincorporated communities located in a county with a population of greater than 2 million but less than 2.5 million, based on the 2000 US Census data.

22. **Nuisance Surveys for the Economically Disadvantaged Communities Program.** Out of amounts appropriated above out of the General Revenue Fund in Strategy C.1.1, Central Administration, the Water Development Board shall reimburse the Texas Department of Health for costs incurred by the Department in conducting nuisance surveys for applicants for financial assistance through the Economically Disadvantaged Communities program administered by the Board. The Board shall reimburse such costs through Interagency Contracts with the Department of Health in an amount not to exceed a total of $250,000 for the biennium beginning on September 1, 2003.

23. **Debt Issuance Restrictions During the 2004-05 Biennium.** It is the intent of the Legislature that the Water Development Board not issue new bond debt that would require debt service payments out of the General Revenue Fund during the biennium beginning on September 1, 2003. Notwithstanding this provision, the Board may issue up to $25 million in bonds that require debt service payments out of the General Revenue Fund for the Economically Distressed Areas Program on or after February 15, 2005.

    These provisions shall not be construed to prohibit the agency from issuing bonds for programs for which the debt service requirements will be completely paid with funds other than General Revenue.

## DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** GEN OBLIGATION BOND DEBT SERVICE<br>Fulfill all general obligation bond debt service payments for the Economically Distressed Areas Program (EDAP), State Participation Program, and the Agricultural Water Conservation Program. | | |
| **A.1.1. Strategy:** EDAP DEBT SERVICE<br>Make general obligation bond debt service payments for the Economically Distressed Areas Program. | $ 13,909,453 | $ 13,821,760 |
| **A.1.2. Strategy:** STATE PARTICIPATION DEBT SERVICE<br>Make general obligation bond debt service payments for the State Participation Program. | $ 7,796,266 | $ 7,790,597 |

## DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.3. Strategy:** AG WATER CONSERVATION DEBT SERVICE<br>Make general obligation bond debt service payments for the Agricultural Water Conservation Program. | $ | 2,694,320 | $ | 2,696,270 |
| **Total, Goal A:** GEN OBLIGATION BOND DEBT SERVICE | $ | 24,400,039 | $ | 24,308,627 |
| **Grand Total,** DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS | $ | 24,400,039 | $ | 24,308,627 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 19,787,616 | $ | 19,039,231 |
| Other Funds | | | | |
| Economically Distressed Areas Bond Payment Account No. 357 | | 2,247,057 | | 2,406,827 |
| State Participation Program Bond Payment Account | | 2,365,366 | | 2,862,569 |
| Subtotal, Other Funds | $ | 4,612,423 | $ | 5,269,396 |
| **Total, Method of Financing** | $ | 24,400,039 | $ | 24,308,627 |
| **Object-of-Expense Informational Listing:** | | | | |
| Debt Service | $ | 24,400,039 | $ | 24,308,627 |
| **Total, Object-of-Expense Informational Listing** | $ | 24,400,039 | $ | 24,308,627 |

1. **Payment of Debt Service: Economically Distressed Areas Bonds.** All monies received by the Texas Water Development Board and deposited to the Economically Distressed Areas Bond Payment Account No. 357 are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for water and wastewater infrastructure through the Economically Distressed Areas Program that mature or become due during the biennium beginning with the effective date of this Act, pursuant to §§ 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapters C and L, including amounts issued prior to the effective date of this Act, as well as additional amounts to be issued on or after February 15, 2005, estimated to be $25 million. The amounts identified above in the Method of Financing as the Economically Distressed Areas Bond Payment Account No. 357 are estimated amounts to be received from repayments of loan principal and interest on such bonds that mature or become due during the biennium.

   The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the Economically Distressed Areas Bond Payment Account No. 357 for Debt Service Payments for the Economically Distressed Areas Program. The provisions contained herein shall not be construed, however, to abrogate the obligation of the State under §§ 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

2. **Payment of Debt Service: State Participation Bonds.** All monies received by the Texas Water Development Board and deposited to the State Participation Program Bond Payment Account are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for State Participation projects that mature or become due during the biennium beginning with the effective date of this Act, pursuant to §§ 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Water Code, Chapter 17, Subchapters C and L,

including amounts issued prior to the effective date of this Act, as well as additional amounts issued during the 2004–05 biennium. The amounts identified above in the Method of Financing as the State Participation Program Bond Payment Account are estimated amounts of payments received from political subdivisions representing the purchase of the state's ownership interest in projects dedicated to the payment of principal and interest on such bonds that mature or become due during the biennium.

The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the State Participation Program Bond Payment Account for Debt Service Payments for the State Participation Program. The provisions contained herein shall not be construed, however, to abrogate the obligation of the State under §§ 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

3. **Agricultural Water Conservation Bonds.** The amounts listed above in Strategy A.1.3, Agricultural Water Conversation Debt Service, are the estimated amounts of debt service anticipated to be required out of the General Revenue Fund in each fiscal year for the repayment of Texas Agricultural Water Conservation Bonds issued during the 2002–03 biennium to provide financial assistance under Texas Water Code, § 17.894(b)(2) for the following projects: $15 million in financial assistance to the Soil and Water Conservation Board for brush control projects and $1 million in financial assistance to the Department of Agriculture for saltcedar removal along the Pecos River. The provisions contained herein shall not be construed, to abrogate the obligation of the state under § 50-d of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS<br>Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 20,482,070 | $ 18,962,983 |
| **A.1.2. Strategy:** GROUP INSURANCE<br>Provide a basic health care and life insurance program for general state employees. Estimated. | $ 45,443,790 | $ 46,006,767 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 65,925,860 | $ 64,969,750 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 65,925,860 | $ 64,969,750 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 21,212,063 | $ 20,997,953 |
| General Revenue Dedicated Accounts, estimated | 35,269,989 | 34,701,741 |
| Federal Funds, estimated | 7,031,244 | 6,929,881 |
| Other Special State Funds, estimated | 2,412,564 | 2,340,175 |
| **Total, Method of Financing** | $ 65,925,860 | $ 64,969,750 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 25,356,204 | $ 25,592,672 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 4,474,131 | $ 4,245,950 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 29,830,335 | $ 29,838,622 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 29,830,335 | $ 29,838,622 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 9,538,865 | $ 9,527,759 |
| General Revenue Dedicated Accounts, estimated | 16,016,801 | 16,032,502 |
| Federal Funds, estimated | 3,184,067 | 3,185,654 |
| Other Special State Funds, estimated | 1,090,602 | 1,092,707 |
| **Total, Method of Financing** | $ 29,830,335 | $ 29,838,622 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE<br>Make general obligation bond debt service payments in compliance with bond covenants. | $ 7,395,768 | $ 7,817,526 & UB |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ 7,395,768 | $ 7,817,526 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 3,257,598 | $ 3,675,211 |
| Current Fund Balance | 4,138,170 | 4,142,315 |
| **Total, Method of Financing** | $ 7,395,768 | $ 7,817,526 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | |
| **A.1.1. Strategy:** LEASE PAYMENTS | $ 1,091,657 | $ 1,092,409 & UB |
| Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | | |
| **Grand Total,** LEASE PAYMENTS | $ 1,091,657 | $ 1,092,409 |

## RECAPITULATION - ARTICLE VI
## NATURAL RESOURCES
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Agriculture | $ 45,942,909 | $ 46,057,010 |
| Animal Health Commission | 8,484,704 | 8,484,704 |
| Commission on Environmental Quality | 27,900,446 | 26,619,164 |
| General Land Office and Veterans' Land Board | 9,635,665 | 9,635,666 |
| Parks and Wildlife Department | 52,130,836 | 52,032,186 |
| Railroad Commission | 26,076,612 | 24,984,054 |
| Contingency Appropriations | 972,331 | 968,085 |
| Total | 27,048,943 | 25,952,139 |
| Texas River Compact Commissions | 337,209 | 337,209 |
| Soil and Water Conservation Board | 11,285,289 | 8,668,299 |
| Contingency Appropriations | (1,067,195) | (1,067,196) |
| Total | 10,218,094 | 7,601,103 |
| Water Development Board | 19,300,893 | 19,469,687 |
| Debt Service Payments - Non-Self Supporting G.O. Water Bonds | 19,787,616 | 19,039,231 |
| Subtotal, Natural Resources | $ 220,787,315 | $ 215,228,099 |
| Retirement and Group Insurance | 21,212,063 | 20,997,953 |
| Social Security and Benefit Replacement Pay | 9,538,865 | 9,527,759 |
| Subtotal, Employee Benefits | $ 30,750,928 | $ 30,525,712 |
| Bond Debt Service Payments | 3,257,598 | 3,675,211 |
| Lease Payments | 1,091,657 | 1,092,409 |
| Subtotal, Debt Service | $ 4,349,255 | $ 4,767,620 |
| TOTAL, ARTICLE VI - NATURAL RESOURCES | $ 255,887,498 | $ 250,521,431 |

## RECAPITULATION - ARTICLE VI
## NATURAL RESOURCES
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Agriculture | $ 2,177,115 | $ 177,115 |
| Commission on Environmental Quality | 251,607,459 | 260,700,573 |
| Rider Appropriations | 200,000 | 200,000 |
| Total | 251,807,459 | 260,900,573 |
| Council on Environmental Technology | 1,515,149 | 1,547,099 |
| General Land Office and Veterans' Land Board | 11,690,775 | 11,690,776 |
| Trusteed Programs Within the General Land Office, Contingency Appropriations | 8,700,000 | 8,700,000 |
| Parks and Wildlife Department | 97,549,132 | 94,105,628 |
| Rider Appropriations | 14,900,000 | 14,900,000 |
| Total | 112,449,132 | 109,005,628 |
| Railroad Commission | 15,441,415 | 13,744,711 |
| Soil and Water Conservation Board | 41,250 | 30,000 |
| Water Development Board | 41,250 | 30,000 |
| Subtotal, Natural Resources | $ 403,863,545 | $ 405,825,902 |
| Retirement and Group Insurance | 35,269,989 | 34,701,741 |
| Social Security and Benefit Replacement Pay | 16,016,801 | 16,032,502 |
| Subtotal, Employee Benefits | $ 51,286,790 | $ 50,734,243 |
| TOTAL, ARTICLE VI - NATURAL RESOURCES | $ 455,150,335 | $ 456,560,145 |

## RECAPITULATION - ARTICLE VI
## NATURAL RESOURCES
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Agriculture | $ 1,479,025 | $ 1,479,025 |
| Animal Health Commission | 3,065,094 | 3,038,674 |
| Commission on Environmental Quality | 42,581,768 | 40,440,767 |
| General Land Office and Veterans' Land Board | 4,406,560 | 1,654,006 |
| Trusteed Programs Within the General Land Office | 7,290,985 | 7,574,591 |
| Parks and Wildlife Department | 48,257,629 | 47,527,970 |
| Railroad Commission | 4,892,672 | 4,113,501 |
| Contingency Appropriations | 979,330 | 975,076 |
| Total | 5,872,002 | 5,088,577 |
| Soil and Water Conservation Board | 4,249,083 | 4,422,585 |
| Water Development Board | 3,814,787 | 3,819,052 |
| Subtotal, Natural Resources | $ 121,016,933 | $ 115,045,247 |
| Retirement and Group Insurance | 7,031,244 | 6,929,881 |
| Social Security and Benefit Replacement Pay | 3,184,067 | 3,185,654 |
| Subtotal, Employee Benefits | $ 10,215,311 | $ 10,115,535 |
| TOTAL, ARTICLE VI - NATURAL RESOURCES | $ 131,232,244 | $ 125,160,782 |

## RECAPITULATION - ARTICLE VI
## NATURAL RESOURCES
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Agriculture | $ 3,731,434 | $ 1,729,541 |
| Commission on Environmental Quality | 4,526,839 | 4,095,309 |
| General Land Office and Veterans' Land Board | 18,336,119 | 17,136,119 |
| Trusteed Programs Within the General Land Office | 80,600,000 | 81,146,000 |
| Parks and Wildlife Department | 48,116,766 | 4,880,430 |
| Railroad Commission | 2,288,564 | 2,288,564 |
| Contingency Appropriations | 7,000 | 7,000 |
| Total | 2,295,564 | 2,295,564 |
| Soil and Water Conservation Board | 11,250,000 | 0 |
| Water Development Board | 14,303,513 | 14,338,584 |
| Debt Service Payments - Non-Self Supporting G.O. Water Bonds | 4,612,423 | 5,269,396 |
| Subtotal, Natural Resources | $ 187,772,658 | $ 130,890,943 |
| Retirement and Group Insurance | 2,412,564 | 2,340,175 |
| Social Security and Benefit Replacement Pay | 1,090,602 | 1,092,707 |
| Subtotal, Employee Benefits | $ 3,503,166 | $ 3,432,882 |
| Bond Debt Service Payments | 4,138,170 | 4,142,315 |
| Subtotal, Debt Service | $ 4,138,170 | $ 4,142,315 |
| Less Interagency Contracts | $ 17,775,922 | $ 6,104,583 |
| TOTAL, ARTICLE VI - NATURAL RESOURCES | $ 177,638,072 | $ 132,361,557 |

# RECAPITULATION - ARTICLE VI
# NATURAL RESOURCES
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Agriculture | $ 53,330,483 | $ 49,442,691 |
| Animal Health Commission | 11,549,798 | 11,523,378 |
| Commission on Environmental Quality | 326,616,512 | 331,855,813 |
| Rider Appropriations | 200,000 | 200,000 |
| Total | 326,816,512 | 332,055,813 |
| Council on Environmental Technology | 1,515,149 | 1,547,099 |
| General Land Office and Veterans' Land Board | 44,069,119 | 40,116,567 |
| Trusteed Programs Within the General Land Office | 87,890,985 | 88,720,591 |
| Contingency Appropriations | 8,700,000 | 8,700,000 |
| Total | 96,590,985 | 97,420,591 |
| Parks and Wildlife Department | 246,054,363 | 198,546,214 |
| Rider Appropriations | 14,900,000 | 14,900,000 |
| Total | 260,954,363 | 213,446,214 |
| Railroad Commission | 48,699,263 | 45,130,830 |
| Contingency Appropriations | 1,958,661 | 1,950,161 |
| Total | 50,657,924 | 47,080,991 |
| Texas River Compact Commissions | 337,209 | 337,209 |
| Soil and Water Conservation Board | 26,825,622 | 13,120,884 |
| Contingency Appropriations | (1,067,195) | (1,067,196) |
| Total | 25,758,427 | 12,053,688 |
| Water Development Board | 37,460,443 | 37,657,323 |
| Debt Service Payments - Non-Self Supporting G.O. Water Bonds | 24,400,039 | 24,308,627 |
| Subtotal, Natural Resources | $ 933,440,451 | $ 866,990,191 |
| Retirement and Group Insurance | 65,925,860 | 64,969,750 |
| Social Security and Benefit Replacement Pay | 29,830,335 | 29,838,622 |
| Subtotal, Employee Benefits | $ 95,756,195 | $ 94,808,372 |
| Bond Debt Service Payments | 7,395,768 | 7,817,526 |
| Lease Payments | 1,091,657 | 1,092,409 |
| Subtotal, Debt Service | $ 8,487,425 | $ 8,909,935 |
| Less Interagency Contracts | $ 17,775,922 | $ 6,104,583 |
| TOTAL, ARTICLE VI - NATURAL RESOURCES | $ 1,019,908,149 | $ 964,603,915 |
| Number of Full-Time-Equivalent Positions (FTE) | 8,406.8 | 8,392.3 |

# ARTICLE VII

## BUSINESS AND ECONOMIC DEVELOPMENT

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

## TEXAS AEROSPACE COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EXPAND AEROSPACE INDUSTRY<br>Maintain and expand aerospace industry resources, investment and jobs while enhancing business and public awareness and recognition of the space and aviation industries and their benefit to the people and economy of Texas. | | |
| **A.1.1. Strategy:** ATTRACT AEROSPACE INDUSTRY<br>Work with industry, government and academe to attract aspects of space and aviation industry to Texas and to implement a plan to enhance the recognition of the industry in Texas. | $ | $ |
| **A.1.2. Strategy:** ATTRACT AND DEVELOP SPACEPORT<br>Attract and develop spaceport/reusable launch vehicle. | $ | $ |
| **Total, Goal A:** EXPAND AEROSPACE INDUSTRY | $ 0 | $ 0 |
| **Grand Total,** TEXAS AEROSPACE COMMISSION | $ 0 | $ 0 |
| **Method of Financing:** | | |
| **Total, Method of Financing** | $ 0 | $ 0 |
| **Schedule of Exempt Positions:** | | |
| **Object-of-Expense Informational Listing:** | | |
| **Total, Object-of-Expense Informational Listing** | $ 0 | $ 0 |

# TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** BUSINESS DEVELOPMENT<br>Enhance economic growth of Texas communities through business marketing and development. | | |
| **A.1.1. Strategy:** PROVIDE DATA<br>Provide economic and demographic data for the development of research, data, and information products that can be used to market and promote Texas as a business location. | $ 165,944 | $ 165,945 |
| **A.2.1. Strategy:** INCENTIVES AND TOOLS<br>Provide business incentives and economic development tools to assist businesses and communities to create and retain jobs. | $ 7,005,064 | $ 5,038,792 |
| **Total, Goal A:** BUSINESS DEVELOPMENT | $ 7,171,008 | $ 5,204,737 |
| **Grand Total,** TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT | $ 7,171,008 | $ 5,204,737 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 845,268 | $ 843,729 |
| Capital Access Account No. 5035 | 430,251 | 438,727 |
| Department of Economic Development Federal Fund No. 596 | 5,584,610 | 3,611,402 |
| Other Funds | | |
| Appropriated Receipts | 251,500 | 251,500 |
| Texas Leverage Program Fund No. 851 | 59,379 | 59,379 |
| Subtotal, Other Funds | $ 310,879 | $ 310,879 |
| **Total, Method of Financing** | $ 7,171,008 | $ 5,204,737 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 27.5 | 27.5 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 4 | $112,352 | $112,352 |
| **Supplemental Appropriations Made in Riders:** | $ 23,497,581 | $ 21,757,621 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 799,408 | $ 799,407 |
| Other Personnel Costs | 9,580 | 9,580 |
| Professional Fees and Services | 15,000 | 15,000 |
| Consumable Supplies | 7,181 | 7,181 |
| Utilities | 1,574 | 1,574 |
| Travel | 27,080 | 27,080 |
| Rent - Building | 4,900 | 4,900 |
| Rent - Machine and Other | 3,881 | 3,881 |
| Other Operating Expense | 126,491 | 112,330 |
| Client Services | 187,303 | 195,779 |
| Grants | 29,477,191 | 25,785,646 |
| Capital Expenditures | 9,000 | 0 |
| **Total, Object-of-Expense Informational Listing** | $ 30,668,589 | $ 26,962,358 |

1. **Appropriation: Texas Small Business Industrial Development Corporation.** The Texas Department of Economic Development or its successor agency shall review the financial statements of the Texas Small Business Industrial Development Corporation to determine the net earnings of the Corporation, and shall make such determination no later than January 1, 2004, and January 1, 2005. The department or its successor agency shall ensure that the net earnings, of an amount not to exceed $75,000 shall be transferred to a special fund in the State Treasury during each fiscal year of the 2004–05 biennium to be used to finance activities of Strategy A.2.1, Incentives and Tools. Any net earnings in excess of $150,000 for the 2004–05 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over $150,000 is appropriated to Strategy A.2.1, Incentives and Tools, of the Department of Economic Development or its successor agency for administration of small and minority business finance programs.

2. **Administration: Foreign Offices.**

   a. It is the intent of the legislature that the Texas Department of Economic Development or its successor agency provide services to develop trade investment and tourism in strategic world markets with specific emphasis to benefit small businesses in the State of Texas. Offices may be operated in Mexico and in other foreign markets including Canada, Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The Department or its successor agency shall expend funds for the Mexico offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff at any other foreign offices established by the department or its successor agency. The Department or its successor agency may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico City.

   b. The Department of Economic Development or its successor agency shall maintain a tracking system that documents the direct benefits that result from the operation of each foreign office. The Department or its successor agency shall utilize the tracking system to file a quarterly report with the Governor and the Legislative Budget Board regarding the activities of each office. The report shall contain, at a minimum, information detailing the number of contacts with foreign and domestic businesses, the name of each business, the nature of the contact, the results of each contact, and expenditures by each office. The report shall also contain the name of each Texas community assisted, and information regarding the nature and results of the assistance. Each report shall be submitted within 60 days of the end of each quarter, and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

3. **Defense Infrastructure Support.** It is the intent of the Legislature that the Department of Economic Development or its successor agency prepare an annual Master Plan of how the department shall support the defense infrastructure of the Texas economy. The plan shall contain at a minimum, information detailing the department's proactive strategy for providing support to the Texas defense industry, how the strategy will be implemented, what results shall be achieved and how shall the results be measured and evaluated. The plan shall be made available to the Legislature at the beginning of each fiscal year. In addition, the department or its successor agency shall prepare a quarterly statement detailing the economic impact of the defense industry (military and civilian) on the Texas economy.

4. **Unexpended Balance: Capital Access Account No. 5035.** Any unexpended balances as of August 31, 2004, in the appropriations of the amounts specified above in the method of financing out of the Capital Access Account No. 5035 to the Texas Department of Economic

Development or its successor agency are hereby appropriated for fiscal year 2005 for the purpose of implementation and administration of the Capital Access Program in strategy A.2.1, Incentives and Tools.

5. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Economic Development or its successor agency is limited to the following: Texas Strategic Military Planning Commission Advisory Committee.

6. **Community Development Grants.** Out of funds appropriated above to the department or its successor agency from Capital Access Account No. 5035, the department or its successor agency shall expend $250,000 per year to make grants to eligible community development financial institutions to make grants or loans in distressed areas of the state.

7. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Department of Economic Development are made contingent on the continuation of the Texas Department of Economic Development by the Seventy-eighth Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

8. **Unexpended Balances, Smart Jobs, Fund for Business Location and Incentives.** Any unexpended balances as of August 31, 2003, in appropriations made by Senate Bill 15, Acts of the 78th Legislature, are hereby reappropriated for the 2004-05 biennium for the purposes identified in Senate Bill 15 to the Department of Economic Development or its successor agency.

9. **Appropriation: Texas Leverage Program Fund.** All balances on hand on August 31, 2003, estimated to be $1,980,000 interest paid, investment earnings, and fees received in the Texas Leverage Program Fund No. 851 during the 2004-05 biennium, are hereby appropriated to the Department of Economic Development or its successor agency for the biennium beginning September 1, 2003, for the purposes of implementation and administration of Chapter 481, Government Code relating to business development estimated to be $1,513,621 in 2004 and $1,757,621 in 2005.

10. **Use of Funds for Tourism, Economic Development, and Aerospace Industry.** The Texas Department of Economic Development or its successor agency is hereby appropriated $40,000,000 from General Revenue - Hotel Occupancy Tax Deposits Account No. 5003 to promote tourism, economic development, and the aerospace industry within and to Texas with the approval of the Legislative Budget Board and the Governor.

11. **Transfer of Funds: Energy Center.** Out of General Revenue funds appropriated above, the Texas Department of Economic Development or its successor agency may transfer up to $400,000 by January 1, 2004, up to $1,200,000 from January 1, 2004 to January 1, 2005, and up to $2,000,000 from January 1, 2005 through December 31, 2005 to the Energy Center. In addition, the Texas Department of Economic Development or its successor agency may provide up to $2,500,000 in General Revenue from amounts appropriated above for use as matching funds for the purpose of attracting the federal program for ultra-deep and onshore unconventional natural gas research and development to be administered by the Energy Center.

## DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** AFFORDABLE HOUSING<br>To increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance | 1.37% | 1.37% |
| Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance | 1.16% | 1.16% |
| Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance | 2.26% | 2.26% |
| Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance | .17% | .17% |
| **A.1.1. Strategy:** HOUSING TRUST FUND | $ 2,897,460 | $ 2,889,744 |
| Provide state housing loans and grants through the Housing Trust Fund for very low and low income households. | | |
| **Output (Volume):** | | |
| Projected Number of Very Low and Low Income Households Benefitting from Housing Trust Fund Loans and Grants | 1,686 | 1,686 |
| **A.1.2. Strategy:** HOME PROGRAM | $ 40,759,730 | $ 40,759,710 |
| Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family and multifamily housing units in rural areas of the state through partnerships with the private sector. | | |
| **Output (Volume):** | | |
| Projected Number of Very Low and Low Income Households Benefitting from HOME Investment Program Loans and Grants | 2,300 | 2,300 |
| **A.1.3. Strategy:** SECTION 8 RENTAL ASSISTANCE | $ 9,841,136 | $ 9,812,078 |
| Provide federal rental assistance through Section 8 certificates and vouchers for the very low income households. | | |
| **Output (Volume):** | | |
| Number of Very Low Income Households Receiving Section 8 Certificates and Vouchers | 2,200 | 2,200 |
| **A.1.4. Strategy:** FEDERAL TAX CREDITS | $ 1,687,697 | $ 1,711,873 |
| Provide federal tax credits to develop rental housing for very low and low income households. | | |
| **Output (Volume):** | | |
| Number of Rental Units Projected to Be Set Aside for Very Low and Low Income Households as a Result of Federal Tax Credits Provided through TDHCA | 10,763 | 10,763 |
| **Explanatory:** | | |
| Number of Federal Tax Credit Allocations Made by TDHCA | 73 | 73 |
| **A.1.5. Strategy:** MRB PROGRAM - SINGLE FAMILY | $ 1,666,037 | $ 1,675,503 |
| Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers. | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Very Low and Low Income Households That Received Loans through the MRB Program | | 1,560 | | 1,560 |
| Number of Moderate Income Households That Received Loans through the MRB Program | | 210 | | 210 |
| **A.1.6. Strategy:** MRB PROGRAM-MULTIFAMILY | $ | 341,484 | $ | 344,298 |
| Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, rehabilitation, construction and preservation of multifamily rental units for very low, low and moderate income families. | | | | |
| **Output (Volume):** | | | | |
| Number of Multifamily Rental Units Acquired, Rehabilitated, Constructed or Preserved through the MRB Program | | 1,999 | | 1,999 |
| **Total, Goal A:** AFFORDABLE HOUSING | $ | 57,193,544 | $ | 57,193,206 |
| **B. Goal:** COLONIA INITIATIVES | | | | |
| To improve the living conditions and lives of border residents in Texas. | | | | |
| **B.1.1. Strategy:** COLONIA SERVICE CENTERS | $ | 713,186 | $ | 680,177 |
| To provide technical assistance to colonias through field offices. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Technical Assistance Visits Conducted Annually from the Field Offices | | 615 | | 615 |
| **C. Goal:** POOR AND HOMELESS PROGRAMS | | | | |
| Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Persons in Poverty That Received Homeless and Poverty-related Assistance | | 14.6% | | 14.6% |
| Percent of Very Low Income Households Receiving Energy Assistance | | 6% | | 6% |
| **C.1.1. Strategy:** POVERTY-RELATED FUNDS | $ | 36,142,360 | $ | 36,143,659 |
| Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state. | | | | |
| **Output (Volume):** | | | | |
| Number of Persons Assisted through Homeless and Poverty-related Funds | | 440,000 | | 440,000 |
| Number of Persons Assisted That Achieve Incomes above Poverty Level | | 1,314 | | 1,314 |
| Number of Shelters Assisted | | 70 | | 70 |
| **C.2.1. Strategy:** ENERGY ASSISTANCE PROGRAMS | $ | 43,314,701 | $ | 43,235,356 |
| Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy-related emergencies. | | | | |
| **Output (Volume):** | | | | |
| Number of Households Assisted through the Comprehensive Energy Assistance Program | | 69,736 | | 69,736 |
| Number of Dwelling Units Weatherized by the Department | | 3,734 | | 3,734 |
| **Total, Goal C:** POOR AND HOMELESS PROGRAMS | $ | 79,457,061 | $ | 79,379,015 |

# DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

| | | | | |
|---|---|---|---|---|
| **D. Goal:** ENSURE COMPLIANCE | | | | |
| Ensure compliance with Department of Housing and Community Affairs federal and state program mandates. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Multifamily and/or Single Family Rental Properties Monitored Annually | | 100% | | 100% |
| Percent of Federally-funded Sub-recipients Monitored Annually | | 100% | | 100% |
| **D.1.1. Strategy:** REVIEW PROPERTY DOCUMENTS | $ | 2,595,901 | $ | 2,549,780 |
| To review housing property documents to ensure long-term affordability standards. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Reviews Conducted | | 659 | | 659 |
| **Explanatory:** | | | | |
| Total Number of Units Administered | | 179,955 | | 188,956 |
| **D.1.2. Strategy:** REVIEW FINANCIAL DOCUMENTS | $ | 476,749 | $ | 442,094 |
| Review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Financial Reviews Conducted | | 300 | | 300 |
| Number of Single Audit Reviews Conducted | | 250 | | 250 |
| **Explanatory:** | | | | |
| Number of Sub-recipients Funded by TDHCA | | 624 | | 624 |
| **Total, Goal D:** ENSURE COMPLIANCE | $ | 3,072,650 | $ | 2,991,874 |
| **E. Goal:** MANUFACTURED HOUSING | | | | |
| To protect the public by regulating the manufactured housing industry in accordance with state and federal laws. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Consumer Complaint Inspections Conducted within 30 Days of Request | | 99% | | 99% |
| Percent of Complaints Resulting in Disciplinary Action | | 22% | | 22% |
| **E.1.1. Strategy:** TITLING AND LICENSING | $ | 1,475,332 | $ | 1,482,642 |
| Provide titling and licensing services in a timely and efficient manner. | | | | |
| **Output (Volume):** | | | | |
| Number of Manufactured Housing Titles Issued | | 115,000 | | 115,000 |
| Number of Licenses Issued | | 5,700 | | 5,700 |
| **Explanatory:** | | | | |
| Number of Manufactured Homes Titled in Texas | | 760,000 | | 790,000 |
| **E.1.2. Strategy:** INSTALLATION INSPECTIONS | $ | 2,026,718 | $ | 2,029,838 |
| Conduct installation inspections of manufactured homes in a timely and efficient manner. | | | | |
| **Output (Volume):** | | | | |
| Number of Routine Installation Inspections Conducted | | 13,500 | | 13,500 |
| **Explanatory:** | | | | |
| Number of Installation Reports Received | | 30,000 | | 30,000 |
| **E.1.3. Strategy:** ENFORCEMENT | $ | 1,702,086 | $ | 1,711,529 |
| To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 1,710 | | 1,620 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 200 | | 200 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received | | 1,800 | | 1,900 |
| **Total, Goal E:** MANUFACTURED HOUSING | $ | 5,204,136 | $ | 5,224,009 |

| | | | | |
|---|---|---|---|---|
| **F. Goal:** INDIRECT ADMIN AND SUPPORT COSTS | | | | |
| Indirect administrative and support costs. | | | | |
| **F.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 5,234,907 | $ | 5,241,895 |
| **F.1.2. Strategy:** INFORMATION RESOURCE TECHNOLOGIES | $ | 1,382,723 | $ | 1,395,219 |
| **F.1.3. Strategy:** OPERATING/SUPPORT | $ | 598,798 | $ | 603,935 |
| **Total, Goal F:** INDIRECT ADMIN AND SUPPORT COSTS | $ | 7,216,428 | $ | 7,241,049 |
| **Grand Total,** DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS | $ | 152,857,005 | $ | 152,709,330 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 6,402,770 | $ | 6,426,057 |
| Earned Federal Funds | | 850,077 | | 867,481 |
| Subtotal, General Revenue Fund | $ | 7,252,847 | $ | 7,293,538 |
| Community Affairs Federal Fund No. 127 | | 131,040,487 | | 130,979,680 |
| Other Funds | | | | |
| Appropriated Receipts | | 14,480,704 | | 14,353,145 |
| Interagency Contracts | | 82,967 | | 82,967 |
| Subtotal, Other Funds | $ | 14,563,671 | $ | 14,436,112 |
| **Total, Method of Financing** | $ | 152,857,005 | $ | 152,709,330 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 323.0 | | 323.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 4 | | $112,352 | | $112,352 |
| **Supplemental Appropriations Made in Riders:** | $ | 6,450,000 | $ | 450,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 15,369,806 | $ | 15,367,130 |
| Other Personnel Costs | | 246,491 | | 246,491 |
| Operating Costs | | 6,146,215 | | 6,226,399 |
| Professional Fees and Services | | 348,635 | | 183,151 |
| Consumable Supplies | | 142,400 | | 143,602 |
| Utilities | | 122,476 | | 126,436 |
| Travel | | 533,261 | | 534,950 |
| Rent - Building | | 666,695 | | 680,567 |
| Rent - Machine and Other | | 57,751 | | 64,751 |
| Other Operating Expense | | 500,828 | | 604,876 |
| Client Services | | 8,877,976 | | 8,877,976 |
| Grants | | 125,351,284 | | 119,414,062 |
| Capital Expenditures | | 943,187 | | 688,939 |
| **Total, Object-of-Expense Informational Listing** | $ | 159,307,005 | $ | 153,159,330 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the

Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Normal Growth/Intergrate Systems | $ | 260,000 | $ | 240,000 |
| (2) Peoplesoft Accounting System | | 100,000 | | 100,000 |
| (3) Disaster Recovery | | 15,000 | | 15,000 |
| (4) Enhancements to Compliance System | | 150,000 | | 150,000 |
| (5) Central Database Project | | 175,000 | | 175,000 |
| (6) Uniform Physical Conditions Standards (UPCS) Property Inspections | | 70,000 | | 10,000 |
| (7) Weatherization Assistance Program Software Development Project | | 120,000 | | 0 |
| Total, Capital Budget | $ | 890,000 | $ | 690,000 |
| Method of Financing (Capital Budget): | | | | |
| General Revenue Fund | $ | 113,567 | $ | 139,233 |
| Community Affairs Federal Fund No. 127 | | 227,461 | | 99,076 |
| Appropriated Receipts | | 482,280 | | 396,745 |
| Earned Federal Funds | | 66,692 | | 54,946 |
| Total, Method of Financing | $ | 890,000 | $ | 690,000 |

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.

3. **Housing Assistance.** The housing finance division shall adopt an annual goal to apply no less than $30,000,000 of the division's total housing funds toward housing assistance for individuals and families in which the annual family income does not exceed the following amounts based on the number of persons in the family:

| Number of Persons in the family | Maximum annual Income |
|---|---|
| 1 Person | $13,000 |
| 2 Persons | $16,000 |
| 3 Persons | $17,000 |
| 4 Persons | $19,000 |
| 5 Persons | $21,000 |

For each additional person add $1,500. No less than 20 percent of the division's total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the

state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.

4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   Texas Weatherization Policy Advisory Council
   Colonia Residents Advisory Committee

5. **Local Site Visits.** From monies appropriated above, when the Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Department of Housing and Community Affairs with the mayor or county judge or their designated representative shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.

6. **Low/Moderate Income Housing Construction.** Out of the funds appropriated above, not less than $500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.

7. **Low Income Assistance: Scoring Criteria.** It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.

8. **Limitation on Expenditure.** Under Strategy A.1.4, Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:

   a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.

   b. The department will require inspections of all construction for quality during the construction process while defects can reasonably be corrected.

   c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

   d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.

e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.

9. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to the Occupations Code § 1201, Manufactured Housing Standards Act, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be $967,496 for fiscal year 2004 and $1,057,104 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

10. **Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs (TDHCA) shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least 30 percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at 60 percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at 60 percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.

11. **Conversions of Executory Contracts.** Out of the funds appropriated above, the department shall spend not less than $4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least 400 contract for deed conversions by August 31, 2005.

12. **Unexpended Balances, Grants, and Contracts.** Any unexpended general revenue balances remaining in Strategy A.1.1, Housing Trust Fund, as of August 31, 2003, are appropriated to the same strategy as of September 1, 2003. Any funds from grants or contracts executed before September 1, 2004, or from prior fiscal years from Strategy A.1.1, Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs that are not expended for the same purpose as of August 31, 2004, are appropriated to Strategy A.1.1, Housing Trust Fund, as of September 1, 2004, for the same purposes. Beginning September 1, 2004, any funds from grants or contracts executed before September 1, 2005, or from prior fiscal years from Strategy A.1.1, Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs are appropriated to Strategy A.1.1, Housing Trust Fund, for the same purposes (estimated to be $6,000,000).

13. **Colonia Annual Assessment.** The department shall collect information on the demand for contract for deed conversion, self-help housing, consumer education, and other colonia resident services in counties within 150 miles of the Texas-Mexico border. The department shall include the assessment of colonias needs in its annual state low income housing plan and report listing policy goals for its colonia programs, the strategies to meet the goals, and the expected outcomes.

14. **Bond Refinancing.** The department shall transfer any funds acquired through refinancing of bonds to the Housing Trust Fund. The first $3 million each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program.

## DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

15. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Department of Housing and Community Affairs are made contingent on the continuation of the Department of Housing and Community Affairs by the Seventy-eighth Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phaseout of agency operations.

16. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from amounts appropriated out of the General Revenue Fund for Strategy A.1.1, Housing Trust Fund, estimated to be $350,000 each year, are hereby appropriated to be Housing Trust Fund established under § 2306.201, Government Code, to be used for the same purpose.

17. **Appropriation: Manufactured Homeowner Consumer Claims.** In addition to appropriations in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount, not to exceed $100,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to the Occupations Code § 1201, Manufactured Housing Standards Act, from title transaction fees involving manufactured housing collected and deposited in the General Revenue Fund during the 2004-05 biennium.

18. **Colonia Set-Aside Program Allocation.** The Office of Rural Community Affairs shall allocate 2.5 percent of the yearly allocation of Community Development Block Grant (CDBG) monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 each year of the biennium.

    Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide Internet access and training for parents and their children attending elementary schools in Colonias, to establish Technology Centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the Technology Centers, and improve Internet access for students and parents.

    In operating the Colonia Self-Help Centers, the Department of Housing and Community Affairs shall provide $2.5 million each year except CDBG funds to fund the administration and operations of the Colonia Self-Help Centers.

## TEXAS LOTTERY COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** OPERATE LOTTERY<br>Efficiently operate a lottery that is self-supporting, revenue producing, and secure. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Retailers Satisfied with Lottery Commission | 80% | 80% |
| State Revenue Received Per Advertising Dollar Expended | 26.23 | 26.23 |
| **A.1.1. Strategy:** LOTTERY OPERATIONS<br>License lottery retailers, maintain and monitor retailer accounts and collections; ensure vendor and retailer compliance with contracts and policies, and operate 22 claim centers; oversee payments on contracts to primary | $ 102,925,052 | $ 98,567,813 |

| | | | | |
|---|---|---|---|---|
| vendors for instant ticket manufacturing, vending machines, warehousing and distribution of instant scratch off tickets and other lottery retailing services. | | | | |
| **Output (Volume):** | | | | |
| Number of Retailer Business Locations Licensed | | 16,800 | | 16,800 |
| **Efficiencies:** | | | | |
| Average Cost Per Retailer Location License Issued | | 135 | | 140 |
| **A.1.2. Strategy:** MARKETING, RESEARCH, AND PROMOTION | $ | 7,116,267 | $ | 6,840,427 |
| Determine the interests, opinions, awareness levels and purchase behaviors of adult Texans for the planning, development and implementation of effective games; educate players and provide opportunities to learn about lottery products; broadcast lottery drawings to ensure the integrity of the lottery's numbers games; communicate game information, marketing ideas and operational information to lottery retailers; recruit new retailers; measure retailer satisfaction with lottery operations and service. | | | | |
| **Output (Volume):** | | | | |
| Number of Surveys Issued to Retailers | | 77,600 | | 77,600 |
| **Efficiencies:** | | | | |
| Average Cost Per Survey Issued | | 2.56 | | 2.56 |
| **A.1.3. Strategy:** ADVERTISING | $ | 34,000,000 | $ | 34,000,000 |
| Inform adult Texans by mass media (television, radio, newspaper, billboards), point-of-sale materials and merchandising regarding lottery games; provide consumers and retailers with notice of end-of-game dates; provide information regarding procurement opportunities for minority vendors. | | | | |
| **Output (Volume):** | | | | |
| Dollar Amount of Advertising Budget Spent on Television (Millions) | | 14.28 | | 14.28 |
| **Efficiencies:** | | | | |
| Percentage of Adult Texans Aware of Lottery Advertising | | 57% | | 57% |
| **A.1.4. Strategy:** SECURITY | $ | 5,636,763 | $ | 5,786,799 |
| Protect and maintain the security and integrity of lottery games, systems and drawings; assure the physical security of all Commission operating sites; and investigate possible criminal and regulatory violations. | | | | |
| **Output (Volume):** | | | | |
| Number of Lottery Complaints Resolved | | 550 | | 550 |
| **Efficiencies:** | | | | |
| Average Cost Per Complaint Resolved | | 112 | | 112 |
| **A.1.5. Strategy:** CENTRAL ADMINISTRATION | $ | 10,146,293 | $ | 10,004,433 |
| Execute and support all functions of the Texas Lottery Commission through executive management, accounting, systems administration, information systems support, communications, legal services, purchasing support, budgeting and human resources. | | | | |
| **Total, Goal A:** OPERATE LOTTERY | $ | 159,824,375 | $ | 155,199,472 |

# TEXAS LOTTERY COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** ENFORCE BINGO LAWS<br>Timely and fairly enforce all statutes and regulations relating to charitable bingo to ensure the fair conduct of charitable bingo games and that all proceeds derived from bingo are used for a lawful purpose. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action | | 8% | | 8% |
| Net Bingo Games Revenue Received by Charitable Organizations (in Millions) | | 34.5 | | 34.5 |
| Percentage of Organizations Who Fail to Meet 35% Charitable Distribution Requirement | | 5% | | 5% |
| **B.1.1. Strategy:** BINGO LICENSING<br>Determine the eligibility of bingo applications and process bingo license applications in a timely manner. | $ | 871,406 | $ | 870,070 |
| **Output (Volume):** | | | | |
| Number of Licenses Renewed to Individuals and Organizations | | 1,760 | | 1,750 |
| **Efficiencies:** | | | | |
| Average Cost Per Original License Issued | | 800 | | 800 |
| **B.1.2. Strategy:** BINGO EDUCATION AND DEVELOPMENT<br>Provide training seminars, publish informational newsletters, and disseminate relevant information relating to regulatory requirements. Provide informational programs regarding the conduct of bingo for fundraising purposes to appropriate organizations. | $ | 129,186 | $ | 131,018 |
| **Efficiencies:** | | | | |
| Average Cost of Bingo Operator Training Class | | 885 | | 895 |
| **B.1.3. Strategy:** BINGO LAW COMPLIANCE<br>Conduct inspections, reviews, audits, and complaint investigations and take appropriate disciplinary action. Test bingo products used in the state of Texas. | $ | 1,409,288 | $ | 1,437,366 |
| **Output (Volume):** | | | | |
| Number of Bingo Complaints Resolved | | 265 | | 265 |
| **Efficiencies:** | | | | |
| Average Cost Per Bingo Complaint Resolved | | 75 | | 75 |
| **B.1.4. Strategy:** BINGO PRIZE FEE ALLOC & ACCOUNTING<br>Manage charitable bingo financial data regarding collections and allocations of revenue in a manner that ensures funds are disbursed to appropriate entities and notify organizations of regulatory matters in a timely manner. Improve voluntary compliance with the tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program. | $ | 149,386 | $ | 151,925 |
| **Output (Volume):** | | | | |
| Number of Days to Allocate Payments to Local Jurisdictions | | 41 | | 38 |
| **Total, Goal B:** ENFORCE BINGO LAWS | $ | 2,559,266 | $ | 2,590,379 |
| **Grand Total,** TEXAS LOTTERY COMMISSION | $ | 162,383,641 | $ | 157,789,851 |

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 2,559,266 | $ | 2,590,379 |
| GR Dedicated - Lottery Account No. 5025 | | 159,824,375 | | 155,199,472 |
| **Total, Method of Financing** | $ | 162,383,641 | $ | 157,789,851 |

## TEXAS LOTTERY COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Number of Full-Time-Equivalent Positions (FTE):** | | 335.0 | | 335.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 5 | | $110,000 | | $110,000 |
| **Supplemental Appropriations Made in Riders:** | $ | 7,700,049 | $ | 10,469,703 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 14,545,240 | $ | 14,736,527 |
| Other Personnel Costs | | 224,282 | | 226,037 |
| Operating Costs | | 34,000,000 | | 34,000,000 |
| Professional Fees and Services | | 5,947,085 | | 6,226,946 |
| Fuels and Lubricants | | 18,762 | | 18,762 |
| Consumable Supplies | | 208,513 | | 214,613 |
| Utilities | | 842,541 | | 842,739 |
| Travel | | 540,120 | | 542,827 |
| Rent - Building | | 2,666,701 | | 2,673,594 |
| Rent - Machine and Other | | 4,119,742 | | 4,097,838 |
| Other Operating Expense | | 106,326,704 | | 104,556,671 |
| Capital Expenditures | | 644,000 | | 123,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 170,083,690 | $ | 168,259,554 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the GR Dedicated - Lottery Account No. 5025: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Lottery System Hardware and Software | $ | 135,000 | $ | 0 |
| b. Acquisition of Capital Equipment and Items | | | | |
| (1) Other Capitalized Equipment | | 391,000 | | 0 |
| Total, Capital Budget | $ | 526,000 | $ | 0 |

2. **Appropriation, Operate Lottery.** Pursuant to Government Code, Chapter 466, appropriations made to Goal A, Operate Lottery, shall not exceed twelve percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions.

3. **Appropriation, Payment of Prizes.** In addition to the amounts appropriated above for the administration of the Lottery and retailer commissions, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.

4. **Appropriation of Increased Revenues.** In addition to the amounts appropriated above, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, an amount equal to 5 percent of the amount by which gross sales exceed $2.755 billion in fiscal year 2004 and $2.681 billion in fiscal year 2005 for the purpose of paying retailer commissions; and, there is hereby appropriated an amount equal to 4.19 percent of the amount by which gross sales exceed $2.755 billion in fiscal year 2004 and the amount by which gross sales exceed $2.681 billion in fiscal year 2005 for the purpose of fulfilling contractual obligations and other administrative costs in administration of the Lottery.

5. **Compulsive Gambling Helpline.** Out of funds appropriated above in Strategy A.1.1, Lottery Operations, $375,000 for each year of the biennium may be expended only for the purpose of offering assistance to compulsive gamblers to be provided by the Texas Commission on Alcohol and Drug Abuse through an interagency contract agreement.

6. **Limitation on Transfer Authority.** Funds appropriated above in Strategy A.1.3, Advertising, may be transferred into other items in the Lottery Commission appropriations, but none of the funds appropriated in other items may be transferred into Strategy A.1.3, Advertising.

7. **Limitation, Pooled Reserve Fund.** Pursuant to Government Code, Chapter 466, the Executive Director of the Texas Lottery Commission shall maintain balances in a pooled reserve fund to cover the potential loss of state revenue as a result of lottery retailer defaults. The Executive Director of the Texas Lottery Commission shall transfer all pooled reserve fund revenues and balances that exceed $5 million to the Foundation School Fund No. 193 quarterly.

8. **Limitation: Out-of-Country, Out-of-State and In-State Travel.** Notwithstanding any other provisions included in this Act, it is the intent of the Legislature that the Texas Lottery Commission shall not be allowed to travel out-of-country, with the exception of travel to Mexico or Canada which is reimbursable by a third party. In addition, the Texas Lottery Commission shall not exceed amounts expended on out-of-state or in-state travel, for each fiscal year of the biennium, by an amount equal to 80 percent of travel expenditure amounts for fiscal year 1998.

9. **Appropriation, Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B, Enforce Bingo Laws, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal B, Enforce Bingo Laws, are estimated to be $448,394 for fiscal year 2004 and $461,496 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

10. **Petty Cash Fund Authorized.** The Texas Lottery Commission is authorized to establish a petty cash fund to be used by Commission employees for the purchase of evidence and/or information and other expenses deemed necessary for agency security and enforcement activities, including audits and expenses, incurred by auditing. The petty cash fund, not to exceed $1,500, may be maintained in cash or at a local bank and shall be subject to such rules and regulations as the executive director may recommend and the commission may adopt.

11. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committee: Bingo Advisory Committee.

12. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Lottery Commission are made contingent on the continuation of the Lottery Commission by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

13. **Contingent Appropriation.** Out of the amounts appropriated above from General Revenue Dedicated – Lottery Account No. 5025, $7,700,049 in 2004 and $10,469,703 in 2005 is contingent on Comptroller certification of increased lottery deposits to the Foundation School Fund Account of $56,426,420 over $840,401,000 in fiscal year 2004 and $68,838,106 over $781,544,000 in fiscal year 2005. The Lottery Commission, upon completion of necessary actions to increase such Lottery sales, shall furnish copies of the Lottery Commission's minutes and other information supporting the estimated increase in sales to be generated for the 2004-05 biennium under the revised lottery structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased sales, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

## OFFICE OF RURAL COMMUNITY AFFAIRS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMMUNITY ECONOMIC DEVELOPMENT | | |
| Better Texas communities by supporting community/economic development projects. | | |
| **Outcome (Results/Impact):** | | |
| Percent of the Small Communities' Population Benefitting from Public Facility, Economic Development, Housing Assistance and Planning Projects | 33% | 33% |
| **A.1.1. Strategy:** PROVIDE GRANTS | $ 90,257,777 | $ 90,171,558 |
| Provide grants for community and economic development projects. | | |
| **Output (Volume):** | | |
| Number of New Community/Economic Development Contracts Awarded | 316 | 316 |
| Number of Projected Beneficiaries from New Community/Economic Development Contracts Awarded | 375,000 | 375,000 |
| Number of Onsite Technical Assistance Visits Conducted | 563 | 563 |
| Number of Programmatic Monitoring Visits Conducted | 300 | 300 |
| **A.1.2. Strategy:** PROVIDE ASSISTANCE TO COLONIAS | $ 100,000 | $ 100,000 |
| Provide technical assistance to colonias through field offices. | | |
| **Total, Goal A:** COMMUNITY ECONOMIC DEVELOPMENT | $ 90,357,777 | $ 90,271,558 |
| **B. Goal:** EQUITABLE ACCESS TO MEDICAL CARE | | |
| Promote equitable access to medical care and eliminate disparities. | | |
| **Outcome (Results/Impact):** | | |
| Ratio of Primary Care Practitioners to Population in Rural Counties | 150 | 150 |
| **B.1.1. Strategy:** PRIMARY CARE ACCESS PROGRAMS | $ 2,128,401 | $ 2,034,936 |
| Develop programs to increase access to primary health care in rural areas. | | |

# OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Primary Care Practitioners Recruited to Rural Communities | | 67 | | 67 |
| **B.2.1. Strategy:** HEALTH FACILITY CAPITAL IMPROVEMENT | $ | | $ | |
| Rural health facility capital improvements. | | | | |
| **Output (Volume):** | | | | |
| Number of Low Interest Loans and/or Grants Awarded | | 35 | | 35 |
| **Total, Goal B:** EQUITABLE ACCESS TO MEDICAL CARE | $ | 2,128,401 | $ | 2,034,936 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 311,545 | $ | 399,264 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 57,760 | $ | 54,760 |
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 46,060 | $ | 47,560 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 415,365 | $ | 501,584 |
| **Grand Total,** OFFICE OF RURAL COMMUNITY AFFAIRS | $ | 92,901,543 | $ | 92,808,078 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 1,363,223 | $ | 1,450,142 |
| Earned Federal Funds | | 275,000 | | 275,000 |
| GR Match for Community Development Block Grants | | 1,743,486 | | 1,800,986 |
| Subtotal, General Revenue Fund | $ | 3,381,709 | $ | 3,526,128 |
| Federal Funds | | | | |
| Community Affairs Federal Fund No. 127 | | 100,000 | | 100,000 |
| Federal Funds | | 89,419,834 | | 89,181,950 |
| Subtotal, Federal Funds | $ | 89,519,834 | $ | 89,281,950 |
| **Total, Method of Financing** | $ | 92,901,543 | $ | 92,808,078 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 74.0 | | 74.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $85,000 | | $85,000 |
| Per Diem of Committee Members (9) | | 2,160 | | 2,160 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,924,671 | $ | 3,037,274 |
| Other Personnel Costs | | 16,100 | | 16,100 |
| Operating Costs | | 100,000 | | 100,000 |
| Professional Fees and Services | | 800,749 | | 800,749 |
| Consumable Supplies | | 118,600 | | 138,600 |
| Travel | | 198,875 | | 198,875 |
| Rent - Building | | 9,576 | | 14,576 |
| Rent - Machine and Other | | 5,376 | | 5,376 |
| Other Operating Expense | | 263,210 | | 282,129 |
| Grants | | 88,228,086 | | 87,944,699 |
| Capital Expenditures | | 236,300 | | 269,700 |
| **Total, Object-of-Expense Informational Listing** | $ | 92,901,543 | $ | 92,808,078 |

## OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | 2004 | 2005 |
|---|---|---|
| a. Acquisition of Information Resource Technologies | | |
| (1) Financial Accounting System | $ 75,000 | $ 0 |
| (2) Network equipment-Firewall, Switch Router | 15,000 | 15,000 |
| (3) Computer Docking Stations | 22,500 | 0 |
| (4) Computers (Desktops) | 30,000 | 10,000 |
| (5) Document Imaging (Home Office) | 25,000 | 25,000 |
| (6) Replace Network Equipment Servers | 32,000 | 16,000 |
| (7) Printers | 6,000 | 0 |
| Total, Capital Budget | $ 205,500 | $ 66,000 |

Method of Financing (Capital Budget):

| | | |
|---|---|---|
| General Revenue Fund | $ 41,850 | $ 16,200 |
| Federal Funds | 163,650 | 49,800 |
| Total, Method of Financing | $ 205,500 | $ 66,000 |

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Office of Rural Community Affairs (ORCA) or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by ORCA and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for ORCA to deny any future contracts to that contracting party.

3. **Coordination with Texas Water Development Board.** The Office of Rural Community Affairs (ORCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2004 and 2005. In distributing funds out of the Colonia Fund, ORCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy A.1.1, Provide Grants, may be expended in EDAP-eligible counties that have not adopted, or not enforcing, the Model Subdivision Rules established pursuant to § 16.343 of the Water Code. No later than September 15, 2004, ORCA and the TWDB shall submit a joint report to

the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts including an estimate of the amount each agency has saved by reduced duplication of efforts. If there is an insufficient number of TWDB EDAP projects ready for Colonia Economically Distressed Areas Program (CEDAP) connection funding within 12 months after ORCA receives the federal letter of credit, the CEDAP funds may be transferred at ORCA's discretion as stated within the current Community Development Block Grant action plan.

4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the State Community Development Review Committee.

5. **Administrative Allocation: Councils of Governments.** From the federal administrative monies made available to the Office of Rural Community Affairs under the Community Development Block Grant Program, an amount up to 19 percent of such monies shall be allocated for the councils of government, based upon agreements between the Office of Rural Community Affairs and each council of government, to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor and/or for other technical assistance services so long as the staff support activities comply with the rules, policies, and standards established by the US Department of Housing and Urban Development.

6. **Colonia Set-Aside Program Allocation**. The Office of Rural Community Affairs (ORCA) shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, $2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by § 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code. ORCA by rule shall provide that an application for assistance under the program hereby authorized may be submitted after construction of the water supply or sewer service system begins. ORCA shall approve or disapprove a timely application before construction of the water supply or sewer service is completed in order to eliminate delay in connection once construction is completed. ORCA shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.

   In addition, ORCA shall allocate 2.5 percent of the CDBG monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 of each year of the biennium.

   Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide Internet access and training for parents and their children attending elementary schools in Colonias, to establish Technology Centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the Technology Centers, and improve Internet access for students and parents.

   In operating the Colonia Self-Help Centers, the Department of Housing and Community Affairs shall provide $2.5 million each year except CDBG funds to fund the administration and operations of the Colonia Self-Help Centers.

## OFFICE OF RURAL COMMUNITY AFFAIRS
(Continued)

7. **Informational Rider - Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Office of Rural Community Affairs (ORCA) also receives estimated appropriations in Article XII, Tobacco Settlement Receipts. Estimated amounts appropriated in Article XII are for the following ORCA programs and strategies in the following amounts.

| | 2004 | 2005 |
|---|---|---|
| **Rural Healthcare Investment** | | |
| B.1.1. Strategy: Primary Care Access Programs | $ 112,500 | $ 112,500 |
| **Rural Health Facility Capital Improvement** | | |
| B.2.1. Strategy: Health Facility Capital Improvement | $ 2,250,000 | $ 2,250,000 |

8. **Unexpended Balances, Grants, and Contracts**. Any unexpended and unobligated general revenue balances remaining from appropriations as of August 31, 2004 are hereby reappropriated to the Office of Rural Community Affairs for the fiscal year beginning September 1, 2004. The unexpended funds can be carried forward between fiscal years of the biennium.

## DEPARTMENT OF TRANSPORTATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** TRANSPORTATION PLANNING<br>To provide for the planning, design, research, management of a safe, comprehensive, durable, and economically maintainable and for the timely acquisitions of right-of-ways for a transportation system that is environmentally sensitive and supportive of economic growth and social prosperity. | | |
| **Outcome (Results/Impact):** | | |
| Project to Funding Ratio | 1.1 | 1.1 |
| Percent of Projects Awarded on Schedule | 90% | 90% |
| **A.1.1. Strategy:** PLAN/DESIGN/MANAGE<br>Plan, design, and manage highway projects. | $ 593,268,136 | $ 609,509,886 |
| **Output (Volume):** | | |
| Number of Construction Project Preliminary Engineering Plans Completed | 803 | 803 |
| Dollar Volume of Construction Contracts Awarded in Fiscal Year (Millions) | 2,564 | 2,564 |
| Number of Projects Awarded | 864 | 864 |
| **A.1.2. Strategy:** RIGHT-OF-WAY ACQUISITION<br>Optimize timing of highway right-of-way acquisition. | $ 300,000,000 | $ 325,000,000 |
| **A.1.3. Strategy:** RESEARCH<br>Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations. | $ 22,101,060 | $ 22,617,952 |
| **Total, Goal A:** TRANSPORTATION PLANNING | $ 915,369,196 | $ 957,127,838 |

**B. Goal:** TRANSPORTATION CONSTRUCTION
To provide for the construction, reconstruction, and rehabilitation of the state highway system and general aviation infrastructures in an economically safe and comprehensive manner that is effective, efficient, and environmentally sensitive.

| | | |
|---|---|---|
| **Outcome (Results/Impact):** | | |
| Percent of Construction Projects Completed on Budget | 75% | 77% |
| Percent of Two-lane Highways with Improved Shoulders | 40% | 40.5% |
| Percent of Railroad Crossings with Signalization | 44% | 45% |
| Percent of Construction Projects Completed on Time | 78% | 80% |
| Urban Congestion Index | 1.35 | 1.35 |
| Statewide Congestion Index | 1.07 | 1.09 |
| **B.1.1. Strategy:** HIGHWAY CONSTRUCTION | $ 2,941,377,726 | $ 2,907,555,022 & UB |
| Contract for the construction of the highway system and facilities (estimated). | | |
| **B.1.2. Strategy:** AVIATION SERVICES | $ 61,950,168 | $ 62,050,768 & UB |
| Support and promote general aviation. | | |
| **Output (Volume):** | | |
| Number of Airports Selected for Financial Assistance | 165 | 165 |
| **Efficiencies:** | | |
| Administration and Support Costs as a Percent of Facility Grant Funds Expended | 3.9% | 3.9% |
| **Total, Goal B:** TRANSPORTATION CONSTRUCTION | $ 3,003,327,894 | $ 2,969,605,790 |

**C. Goal:** MAINTENANCE AND PRESERVATION
To provide for the systematic preservation of the highway system, fulfill non-federal sponsorship responsibilities for the Gulf Intracoastal Waterway, preserve and control state ferry systems, and control outdoor advertising and junkyards along interstate and primary Texas highways.

| | | |
|---|---|---|
| **Outcome (Results/Impact):** | | |
| Percent of Bridges Rated in Good Condition or Higher | 82% | 83% |
| Statewide Maintenance Assessment Program Condition Score | 79 | 80 |
| Statewide Traffic Assessment Program Condition Score | 75 | 76 |
| **C.1.1. Strategy:** CONTRACTED MAINTENANCE | $ 553,424,620 | $ 564,791,872 & UB |
| Contract for highway maintenance program. | | |
| **Output (Volume):** | | |
| Number of Lane Miles Contracted for Resurfacing | 18,174 | 18,671 |
| **C.1.2. Strategy:** ROUTINE MAINTENANCE | $ 489,950,158 | $ 504,365,825 & UB |
| Provide for routine maintenance and operation of the state highway system and control outdoor advertising, junkyards, and auto graveyards. | | |
| **Output (Volume):** | | |
| Number of Oversize/Overweight Permits Issued | 420,840 | 429,257 |
| Number of Highway Lane Miles Resurfaced by State Forces | 8,266 | 8,515 |
| **C.1.3. Strategy:** GULF WATERWAY | $ 1,596,791 | $ 248,969 & UB |
| Support the gulf intracoastal waterway. | | |
| **C.1.4. Strategy:** FERRY SYSTEM | $ 33,299,001 | $ 26,399,903 |
| Maintain and operate ferry systems in Texas. | | |
| **Total, Goal C:** MAINTENANCE AND PRESERVATION | $ 1,078,270,570 | $ 1,095,806,569 |

## DEPARTMENT OF TRANSPORTATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **D. Goal:** OPTIMIZE SERVICES AND SYSTEMS | | | | |
| To effectively and efficiently optimize transportation services, systems, programs, and resources. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent Change in the Number of Public Transportation Trips | | 1.3% | | 1.3% |
| Percent of Motor Vehicle Consumer Complaints Resolved | | 70% | | 70% |
| Number of Fatalities Per 100,000,000 Miles Traveled | | 1.7 | | 1.6 |
| **D.1.1. Strategy:** PUBLIC TRANSPORTATION | $ | 88,984,123 | $ | 1,660,285 & UB |
| Support and promote public transportation. | | | | |
| **Efficiencies:** | | | | |
| Administration and Support Costs as a Percent of Grant Expended | | 2.27% | | 2.28% |
| **D.1.2. Strategy:** REGISTRATION & TITLING | $ | 65,045,646 | $ | 64,724,617 |
| Adminster the provisions of the motor vehicle registration and titling statutes. | | | | |
| **Output (Volume):** | | | | |
| Number of Vehicle Titles Issued | | 6,446,402 | | 6,704,258 |
| Number of Vehicles Registered | | 18,885,708 | | 19,225,651 |
| **D.1.3. Strategy:** VEHICLE DEALER REGULATION | $ | 4,853,928 | $ | 4,904,859 |
| Administer the provisions of the Texas Motor Vehicle Commission Code. | | | | |
| **Output (Volume):** | | | | |
| Number of Motor Vehicle Consumer Complaints Resolved | | 950 | | 950 |
| **Efficiencies:** | | | | |
| Average Number of Weeks to Resolve a Motor Vehicle Complaint Resolution | | 20 | | 20 |
| **D.2.1. Strategy:** TRAFFIC SAFETY | $ | 37,436,740 | $ | 34,704,247 & UB |
| Identify problem areas and implement projects to reduce the number of and severity of traffic accidents through the Statewide Traffic Safety Program. | | | | |
| **D.3.1. Strategy:** TRAVEL INFORMATION | $ | 19,199,221 | $ | 19,831,794 |
| Support and promote tourism. | | | | |
| **D.4.1. Strategy:** AUTOMOBILE THEFT PREVENTION | $ | 13,129,741 | $ | 12,725,672 & UB |
| Reduce the incidence of vehicle theft in Texas through prevention efforts and supporting motor vehicle theft laws. | | | | |
| **Output (Volume):** | | | | |
| Number of Cars Stolen Per 100,000 | | 585 | | 585 |
| **Efficiencies:** | | | | |
| Administration and Support Costs as Percentage of Total Expenditures | | 5.2% | | 5.2% |
| **Total, Goal D:** OPTIMIZE SERVICES AND SYSTEMS | $ | 228,649,399 | $ | 138,551,474 |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 37,277,182 | $ | 35,265,358 |
| **E.1.2. Strategy:** INFORMATION RESOURCES | $ | 27,106,283 | $ | 23,434,177 |
| **E.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 39,681,451 | $ | 36,799,277 |
| **E.1.4. Strategy:** REGIONAL ADMINISTRATION | $ | 71,211,693 | $ | 70,989,913 |
| **Total, Goal E:** INDIRECT ADMINISTRATION | $ | 175,276,609 | $ | 166,488,725 |
| **Grand Total,** DEPARTMENT OF TRANSPORTATION | $ | 5,400,893,668 | $ | 5,327,580,396 |

## DEPARTMENT OF TRANSPORTATION
(Continued)

| | | |
|---|---|---|
| **Method of Financing:** | | |
| GR Dedicated - Texas Highway Beautification Account No. 071 | $ 603,844 | $ 615,434 |
| Federal Funds | 2,359,491,828 | 2,301,738,663 |
| Other Funds | | |
| Appropriated Receipts | 310,000 | 310,000 |
| Bond Proceeds - General Obligation Bonds | 105,059,576 | 64,940,424 |
| State Highway Fund No. 006 | 2,935,428,420 | 2,959,975,875 |
| Subtotal, Other Funds | $ 3,040,797,996 | $ 3,025,226,299 |
| **Total, Method of Financing** | $ 5,400,893,668 | $ 5,327,580,396 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 14,723.0 | 14,721.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 6 | $155,000 | $155,000 |
| Commissioner | (3) 15,914 | (3) 15,914 |
| **Supplemental Appropriations Made in Riders:** | $ 25,038,246 | $ 38,246 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 561,408,662 | $ 571,706,063 |
| Other Personnel Costs | 16,964,730 | 18,041,751 |
| Operating Costs | 972,194,753 | 1,025,102,229 |
| Professional Fees and Services | 8,733,500 | 8,904,000 |
| Consumable Supplies | 54,575 | 53,675 |
| Utilities | 733,558 | 859,367 |
| Travel | 465,557 | 438,867 |
| Rent - Building | 402,784 | 407,805 |
| Rent - Machine and Other | 209,892 | 216,393 |
| Other Operating Expense | 34,349,687 | 36,495,197 |
| Client Services | 400,000 | 400,000 |
| Grants | 235,752,919 | 121,278,608 |
| Capital Expenditures | 3,594,261,297 | 3,543,714,687 |
| **Total, Object-of-Expense Informational Listing** | $ 5,425,931,914 | $ 5,327,618,642 |

1. **Capital Budget.** Notwithstanding the capital budget provisions in the General Provisions of this act, none of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. No additional funds may be transferred to the capital budget items listed below without first obtaining written approval from the Legislative Budget Board and the Governor. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | 2004 | 2005 |
|---|---|---|
| Out of the State Highway Fund No. 006: | | |
| a. Acquisition of Land and Other Real Property | $ 4,195,000 | $ 99,865 & UB |
| b. Construction of Buildings and Facilities | 13,315,000 | 4,050,000 & UB |
| c. Repair or Rehabilitation of Buildings and Facilities | 17,365,500 | 17,315,500 & UB |
| d. Acquisition of Information Resource Technologies | 21,222,536 | 14,132,021 & UB |
| e. Transportation Items | 8,625,937 | 10,488,468 & UB |
| f. Acquisition of Capital Equipment and Items | 47,290,462 | 46,815,276 & UB |
| Total, Capital Budget | $ 112,014,435 | $ 92,901,130 |

2. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy C.1.1, Contracted Maintenance, Strategy A.1.2, Right-of-Way Acquisition, and Strategy B.1.1, Highway Construction. In addition, appropriations may be transferred between Strategies, except that no appropriations may be transferred out of Strategies C.1.1, Contracted Maintenance, or A.1.2, Right-of-Way Acquisition, or B.1.1, Highway Construction, except that transfers may be made between those strategies and to Strategy A.1.1, Plan/Design/Manage, of an amount not to exceed 10 percent of the Strategy A.1.1, Plan/Design/Manage, appropriated amount above for that fiscal year.

3. **Public Transportation Financing.** Funds appropriated above to Strategy D.1.1, Public Transportation include $42,758,654 for the biennium from State Highway Fund No. 006. Of such funds, $16,497,250 shall be allocated to Section 5311 rural transportation contractors and $4,267,750 shall be allocated to Section 5307 urban public transportation contractors, and shall be exempt from the formula provisions provided by Chapter 456 of the Transportation Code.

4. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy D.3.1, Travel Information, any magazine revenues generated above $5,177,266 for the 2004 fiscal year and $5,203,415 for the 2005 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation may transfer to Strategy D.3.1., from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by VACS, Article 6144e.

5. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to Transportation Code § 441.011. Such funds are hereby appropriated for the biennium beginning

with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.

6. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.

7. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the department within the following twelve months or at termination, whichever is sooner.

8. **Standby Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked per day on-call during the normal work week, and two hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.

9. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

10. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate employees who perform underwater bridge inspections an additional rate of pay of up to $25 per hour for actual time spent performing underwater bridge inspections.

11. **Equal Employment.** To the maximum extent feasible, the department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.

12. **Limitation on Residences.** None of the funds appropriated herein above may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.

13. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.

14. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the Texas Building and Procurement Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, the inmate maintenance cost per day, overhead expense, miscellaneous charges, and the amount of profit previously approved for such work.

15. **Appropriation Balances.** Any unobligated balance remaining after the first year of the biennium in Strategy D.1.2, Registration and Titling, above for the purpose of purchasing vehicle license plates and vehicle registration validation stickers, and enhancing the automated registration and titling system in accordance with the provisions of Transportation Code, Chapter 502, may be used for the same purpose during the second year of the biennium.

16. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions of the Texas Internal Auditing Act, which shall incorporate, at a minimum, the assignment of an internal auditor at each district office and within each division of the department. Each internal auditor assigned pursuant to this provision shall report either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to Government Code § 2102.006.

    An internal auditor whose duty station is assigned pursuant to this provision may consider suggestions from a District Engineer in developing proposals for the department's annual audit plan.

17. **Minimum Wage Contracts.** In contracting for maintenance and construction contract work with the private sector, the Department of Transportation shall require that contractors and subcontractors are paying all employees and contract labor at a rate at least equal to the federal minimum wage. The department shall withhold payments to contractors until their contractual obligations for paying employees and the contract labor have been fulfilled.

18. **Road Materials.** From amounts appropriated above to the Texas Department of Transportation from State Highway Fund No. 006, the department shall provide eligible counties with road materials during each fiscal year of the biennium. The amount of road materials provided by the department to each eligible county shall be in an amount equal to twice the amount each eligible county would be eligible to receive, pursuant to Transportation Code § 621.353. This section does not make an appropriation to the Comptroller for the purposes of Transportation Code, § 621.353.

19. **Appropriation of Loan Fund Balances.** Revenues accruing (estimated to be $76,492) to the department's special aviation loan fund are hereby appropriated for the same purpose for the biennium beginning September 1, 2003.

20. **Appropriation: Grant Funds.** Any balances, from State Highway Fund No. 006 (estimated to be $25,000,000) remaining as of August 31, 2003, from appropriations made to the department for airport development grants, are appropriated for the same purpose for the biennium beginning September 1, 2003.

21. **Transportation Fee Rates.** The Texas Department of Transportation shall maintain rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

| | |
|---|---|
| Vehicle Registration Fee | $ 10.00 |
| Specialized Motor Carrier | $ 100.00 |
| Insurance Filing Fee, per carrier | $ 100.00 |
| International Stamps, per trip/per vehicle | $ 10.00 |

    All fee collections are to be deposited into the General Revenue Fund.

22. **International Stamp Fees.** It is the intent of the Legislature that the Texas Department of Transportation shall collect the International Stamp Fees specified in Rider No. 21 above in a uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund.

Only if an insurance agent elects to file evidence of a master liability policy under which temporary insurance policies are issued, or to issue temporary insurance, may the department require an insurance agent to obtain international registration stamps as provided by department rules.

23. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of Transportation Code, Chapters 643 and 645, may bill out-of-state trucking firms for all expenses relative to conducting motor carrier registration and insurance compliance audits. All audit proceeds are hereby appropriated to the Texas Department of Transportation and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.

24. **Registering Tow Trucks.** Out of the funds appropriated above in Strategy D.1.2, Registration and Titling, and pursuant to Transportation Code § 643.053, $310,000 in fiscal year 2004 and $310,000 in fiscal year 2005, from appropriated receipts, shall be used for the administration of registering tow trucks.

25. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees and only for videoconferencing and teleconferencing:

    Bicycle Advisory Committee
    Aviation Advisory Committee
    Public Transportation Advisory Committee
    Port Authority Advisory Committee
    Border Solutions Advisory Committee
    Border Trade Advisory Committee

26. **Project Status.** The Department of Transportation shall provide to each member of the House and Senate, unless a member requests it not be provided, a status report on all highway construction projects, by legislative district, currently under contract or awaiting funding. The report shall include projects that would be funded fully or in part by state, federal, or toll funds. The report shall be filed prior to January 1, each fiscal year. In addition, 90 days prior to any loan being granted by the department for any project, all members of the district shall be notified on the status of the project and how other projects in any district would be affected.

27. **Trust Fund 927.** The Department of Transportation is hereby authorized to receive and hold funds in Trust Fund No. 927 (county or political subdivision road participation account) from governmental and private entities for purposes of reimbursing State Highway Fund No. 006 for expenses incurred with transportation projects, including highway and aviation.

28. **State Highway Fund Reimbursement.** To the extent that funds are made available from local governments under Transportation Code § 22.055(b), the department is hereby appropriated amounts as necessary from State Highway Fund No. 006 for purposes authorized by Chapter 22 of the Texas Transportation Code. Funds made available to the department under Transportation Code § 22.055(b) are to be used only for the purpose of reimbursing State Highway Fund No. 006.

29. **District Discretionary Funds.** Out of the funds appropriated above in Strategy B.1.1, Highway Construction, the Department of Transportation shall allocate a minimum of $2.5 million for each district to the State District Discretionary Category each fiscal year. These funds may not be used for highway construction project cost overruns or shortfalls.

30. **Travel Information.** If the department determines that it cannot meet anticipated production and distribution for the Texas State Travel Guide and related travel literature from funds appropriated in Strategy D.3.1, Travel Information, the department shall transfer sufficient funds to meet demand for each year of the biennium.

31. **Local Government Assistance.** The Texas Department of Transportation, pursuant to Texas Transportation Code § 201.706, may assist cities with the maintenance of city streets by providing engineering/maintenance expertise on roadway maintenance and when surplus materials are available, the department shall make available the surplus materials to any local government needing such materials.

32. **Full-time Equivalent: Summer Hire Program.** Full-Time-Equivalent (FTE) positions associated with the Summer Hire Program of the Department of Transportation, in an amount not to exceed 1,200 FTEs, shall be exempt from the Article IX provision establishing a limitation on state agency employment levels for the third and fourth quarters of each fiscal year. It is the intent of the Legislature that this provision will not change the "Number of Full-Time-Equivalent Positions (FTE)" listed elsewhere in this Act. The Department of Transportation shall provide to the Legislative Budget Board, the Governor, and the State Auditor's Office a report of the number of FTEs associated with the Summer Hire Program each fiscal year. Out of individuals hired for the Summer Hire Program, the department shall hire no less than 10 interns each year for the Texas Prefreshman Engineering Program (TexPREP).

33. **Clothing Provision.** The department may provide a cleaning allowance for Travel Counselors not to exceed $500 per year.

34. **Special License Plate Information.** Out of funds appropriated above to the Texas Department of Transportation in Strategy D.1.2, Registration and Titling, the agency shall include in the annual registration information sent to registrants, information on the department's special license plates.

35. **Reporting Requirements.** The Texas Department of Transportation shall provide a report to department's border district legislators and to the respective metropolitan planning organizations on department's trade transportation activities in such border districts during the 2004–05 biennium. The department shall report annually no later than January 1, each year of the biennium. The report shall also be provided to the Governor and the Legislative Budget Board.

    The Texas Department of Transportation shall submit a monthly revenue report to the Legislative Budget Board and the Governor on state and federal funds received in State Highway Fund No. 006 as specified by the Legislative Budget Board. At any time, if the department becomes aware of any variances to estimated amounts appropriated above out of state and federal funds received in State Highway Fund No. 006, the department shall notify the Legislative Budget Board and the Governor in writing specifying the affected funds and the reason for the anticipated change.

36. **Trade Transportation Projects.** From funds appropriated above to the Texas Department of Transportation the department shall:

    a. Consider significant increases to the department's North American Free Trade Agreement (NAFTA) Discretionary Fund;

    b. Retain any funds replaced by allocation through § 1119 of the Transportation Equity Act for the twenty-first century for use by the department on high priority trade transportation related projects;

c. Consider immediate relief from local contribution requirements for the Texas Department of Transportation designated border trade transportation projects;

d. Consider allocating additional department resources to the planning, design and construction activities related to high priority border trade transportation projects in the border districts; and

e. Consider more aggressive State Infrastructure Bank loan terms for the Texas Department of Transportation designated high priority trade transportation projects in the Texas Department of Transportation border districts.

37. **Agency Coordination.** The Texas Department of Transportation and the Texas Commission on Environmental Quality shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the Texas Commission on Environmental Quality shall provide to the appropriate legislative committees a report on their progress by January 1, of each fiscal year.

38. **Projects for Traffic from International Trade.** The department annually shall review its proposed road and maintenance projects to determine whether the projects and maintenance are adequate to allow for the projected impact of overweight trucks on state highways, resulting from international trade.

39. **Light Pollution.** None of the funds appropriated to the Texas Department of Transportation may be used to install or replace an outdoor lighting fixture located in Brewster, Jeff Davis, Pecos, Presidio or Reeves county unless:

    a. the new or replacement outdoor lighting fixture is a fully shielded outdoor lighting fixture that allows no direct light to travel upward into the night sky if the rated output of the outdoor lighting fixture is greater than 1,800 lumens; or

    b. full consideration has been given to conserving energy, reducing glare, preserving the natural night environment, and minimizing night sky glow caused by the scattering of artificial light in the atmosphere.

    c. subsections a or b do not apply if:

        (1) a federal law, rule, or regulation preempts state law;

        (2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

        (3) the light is necessary for special events or situations, including night-time construction, which require additional illumination; or

        (4) a compelling safety interest exists that cannot be addressed by another method.

40. **Public Transportation Funding.** All State Highway Fund No. 006 appropriations above in D.1.1, Strategy: Public Transportation, are made from non-constitutionally dedicated revenue.

41. **Property Asset Management.** Within 90 days from September 1, 2003, the department may appeal to the Governor the findings in the General Land Office's Real Property Valuation Report. During each year of the biennium, the department shall initiate a sale or lease of no less than 50 percent of the department's unsold and/or unleased properties identified and certified by the Governor in the General Land Office's Real Property Valuation Report. The department

shall report quarterly to the Governor, the Comptroller, and the Legislative Budget Board its progress in meeting this charge. The department shall report any activity related to such properties to the General Land Office in a manner prescribed by the General Land Office.

Ten percent of the amount realized from the sale or lease of any property identified in the report is hereby appropriated to A.1.1, Strategy: Plan/Design/Manage, and 10 percent is hereby appropriated to C.1.2, Strategy: Routine Maintenance. Any unexpended balances remaining as of August 31, 2004, from appropriation increases realized from the sale or lease of property identified in the report, are hereby appropriated for the same purposes as of September 1, 2004.

On August 1 of each year, the Legislative Budget Board shall determine if the department has initiated the process to sell or lease the required amount of properties during each year and shall submit a report of these findings to the Governor. If the department does not initiate the process to sell or lease the required amount of properties during the first year of the biennium, a 7 percent capital charge may be assessed by the Legislative Budget Board and the Governor and reported to the Comptroller on any unsold and/or unleased properties identified and certified by the Governor in the General Land Office's Real Property Valuation Report for which a process has not been initiated.

The capital charges shall be calculated by the department on or before January 1, 2005, and detailed in a report to the Legislative Budget Board, the Governor, and to the Comptroller of Public Accounts. Appropriations in this Act in E.1.1, Strategy: Central Administration, and E.1.4, Strategy: Regional Administration, shall be reduced by the amount calculated so that the total amount reduced shall equate to the capital charge assessed, and shall be transferred to B.1.1, Strategy: Highway Construction, on or before January 31, 2005. The department may submit to the Legislative Budget Board a request for amounts to be reduced from specified strategies. Upon approval by the Legislative Budget Board, the timing of the transfer may be adjusted as necessary.

42. **Waste Tire Recycling.** It is the intent of the Legislature that the Texas Department of Transportation communicate and work with industries in all counties to maximize the use of tire recycling projects including but not limited to, civil engineering, highway construction, and land reclamation projects.

    The department shall evaluate its progress and report to the Legislature and the Legislative Budget Board by January 1, 2005.

43. **Green Ribbon Project Expansion.** It is the intent of the Legislature that the Department of Transportation expand the Green Ribbon Project, a public-private partnership initiative to enhance the appearance of public highways by incorporating in the design and improvement of public highways the planting of trees and shrubs, emphasizing natural beauty and greenspace, integrating public art, and highlighting cultural uniqueness of neighborhoods, to other areas of the state.

    Furthermore, in non-attainment and near non-attainment areas, in connection with a contract for a highway project, the department shall allocate to the district or districts in which the project is located an amount equal to not less than one half of one and not to exceed 1 percent of the amount to be spent under the contract for construction, maintenance, or improvement of the highway. If two or more districts share an allocation under this section, the districts shall divide the allocation according to the portion of the amount under the contract that will be spent in each district. A district that receives an allocation under this rider shall spend not less than one half of the allocation for landscaping and other enhancements included in the Green Ribbon program as improvements associated with the project that was the subject of the contract. The

district may spend the allocated money that is not used for landscaping improvements associated with the project that was the subject of the contract for landscaping improvements associated with another highway or highway segment located in the district.

For purposes of this rider, landscape improvements means planting of indigenous or adapted trees and other plants that are suitable for the climate in which they will be located, and preparing the soil and installing irrigation systems for the growth of the trees and plants. In non-attainment and near non-attainment areas, the district or districts shall, to the extent possible, use trees and plants that help mitigate the effects of air pollution.

44. **Highway Safety Improvements.** From funds appropriated above the Texas Department of Transportation shall create a new State Funded Category labeled Highway Safety Improvement Projects, and designate funds to that category.

45. **Discretionary Funding Report.** From funds appropriated the Department of Transportation shall pursue every opportunity to increase its discretionary funding equivalent to 3 percent of its apportioned funding. The department shall report to the Governor and the Legislative Budget Board the status of attaining this goal no later than December 1, 2004.

46. **Tourist Information Center.** From funds appropriated above, the Texas Department of Transportation shall allocate $100,000 each year of the biennium for the establishment of a tourist information center in the Rio Grande Valley contingent on the donation of property and a facility by a local municipality. The tourist information center must be located on a major highway.

47. **Loan Guarantee.** Out of funds appropriated above, the department may guarantee a loan in an amount not to exceed $1,700,000 to support upgrades to Amtrak passenger rail service between Dallas and Shreveport. Pursuant to Transportation Code, Chapter 456, the department may enter into a loan agreement for this purpose and may require security for said loan guarantee.

48. **Border Inspection Facilities.** It is the intent of the Legislature that before funds are expended for the purpose of building a co-located facility which would serve as a commercial motor vehicle inspection facility, border inspection station, or a centralized border inspection station that the department sign an agreement with the governing board of the municipality in which the facility is to be located which states that the location, plans, and implementation strategy for the proposed facility are acceptable to all parties involved.

49. **Causeway Construction.** Out of funds appropriated above in Strategy B.1.1, Highway Construction, the department may allocate $10 million for South Padre Causeway Construction costs during the biennium.

50. **Crash Records Information System.** Out of funds appropriated in Strategy D.2.1, Traffic Safety, $5,000,000 in fiscal year 2004 and $3,175,622 in fiscal year 2005 through interagency contracts with the Department of Public Safety, shall be used to provide funding for the development of the Crash Records Information System.

51. **Border Safety Inspection Facilities.** Out of funds appropriated, the department shall develop border safety inspection facilities that can be retrofitted with the elements of the one-stop border port prototype in amounts not to exceed $25,000,000 per facility. Monies appropriated above shall be spent on acquisition of land, planning and development of facilities, constructing the stations, encompassing Intelligent Transportation System (ITS) technologies and weigh-in motion scales to support regulatory enforcement functions. These projects may be developed in phases as the technologies are defined and developed by the state and federal entities that will operate the facilities.

52. **Public Transportation Report.** The Texas Department of Transportation shall develop and submit an annual report to the Legislature on public transportation activities in Texas. The report shall at a minimum include monthly data on industry utilized standards which best reflect: ridership, mileage, revenue by source, and percent consumed of available capacity.

53. **Selective Traffic Enforcement Program (STEP).** Funds appropriated above to Strategy D.2.1, Traffic Safety, include $10,000,000 in fiscal year 2004 and $10,000,000 in fiscal year 2005 from State Highway Fund No. 006 and shall be used to provide funding for the Selective Traffic Enforcement Program at the Texas Department of Public Safety.

## TEXAS WORKFORCE COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LWDB MANAGED PROGRAMS | | |
| To support an employer driven system that enables individuals to obtain and retain employment through participation in Local Workforce Development Board managed programs. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Child Care Vendors Who Achieved Texas Rising Star Provider Certification | 17% | 17% |
| Entered Employment Rate | 58% | 61% |
| Earnings Change Rate | 4,936 | 4,936 |
| Employment Retention Rate | 76% | 76% |
| WIA Entered Employment Rate | 75.3% | 77.3% |
| Percent of Choices Eligibles Who Participate in the Choices Program | 76% | 76% |
| Percent of Choices Participants Who Enter Employment | 63% | 63% |
| Percent of Job Placements Employed One Year Later (Choices) | 67% | 67% |
| Choices Participation Rate for Two-parent Families | 24.1% | 25.1% |
| Choices Participation Rate for Single-parent Families | 24.1% | 25.1% |
| Percent of Food Stamp Employment & Training Participants Who Enter Employment | 45% | 45% |
| **A.1.1. Strategy:** CHILD CARE SERVICES | $ 427,333,094 | $ 426,986,298 |
| Provide access to child care for eligible children in low-income families to enable parents to work or attend school or training. | | |
| **Output (Volume):** | | |
| Average Number of Children Served Per Day, Transitional and At Risk Services | 82,689 | 82,586 |
| Average Number Children Served Per Day, Choices and E&T Services | 25,864 | 25,864 |
| **Efficiencies:** | | |
| Average Cost Per Child Per Day for Child Care, Transitional and At Risk Services | 13.48 | 13.48 |
| Average Cost Per Child Per Day for Child Care, Choices and E&T Services | 17.32 | 17.32 |
| **Explanatory:** | | |
| Number of Children on Waiting List for Low-income Child Care | 39,079 | 39,042 |
| Number of New Children Enrolled in Child Care | 104,800 | 106,800 |
| **A.2.1. Strategy:** WORKFORCE INVESTMENT ACT | $ 234,560,670 | $ 234,560,670 |
| Offer employment training, transition, and retention resources that enable WIA recipients to become self-sufficient. | | |
| **Output (Volume):** | | |
| Number of WIA Participants Served | 78,163 | 78,163 |

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Cost Per WIA Participant Who Entered Employment | | 9,130 | | 8,207 |
| **A.2.2. Strategy:** TANF CHOICES | $ | 78,295,306 | $ | 78,349,261 |
| Offer employment training, transition, and retention resources that enable TANF Choices recipients to become self-sufficient. | | | | |
| **Output (Volume):** | | | | |
| Number of Two-Parent Families with Individual(s) Meeting Work Requirements Per Month | | 1,494 | | 1,497 |
| Number of Single-parent Families with Individual(s) Meeting Work Requirements Per Month | | 15,136 | | 15,133 |
| **Efficiencies:** | | | | |
| Average Cost Per Client Served in Component Activities: Choices | | 742 | | 742 |
| **Explanatory:** | | | | |
| Number of Two-parent Families with Individual(s) Subject to Work Requirements | | 6,201 | | 5,961 |
| Number of Single-parent Families with Individual(s) Subject to Work Requirements | | 62,811 | | 60,241 |
| **A.2.3. Strategy:** FOOD STAMP EMPLOYMENT AND TRAINING | $ | 14,281,100 | $ | 14,257,149 |
| Offer employment training, transition, and retention resources that enable FS E&T recipients to become self-sufficient. | | | | |
| **Output (Volume):** | | | | |
| Number of Clients Served in Component Activities: General Clients | | 19,405 | | 19,372 |
| **Total, Goal A:** LWDB MANAGED PROGRAMS | $ | 754,470,170 | $ | 754,153,378 |
| **B. Goal:** TWC MANAGED PROGRAMS | | | | |
| To support a statewide service delivery and evaluation system that assists local communities to identify and meet the workforce needs of the employers and workers of Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Unemployment Insurance Claimants Paid Timely | | 97% | | 97% |
| Percent of Unemployment Insurance Dispute Cases Resolved with Lower Appeal | | 82% | | 82% |
| Average Wait Time on Hold for Clients Filing Unemployment Insurance Initial Claims Using Tele-centers (Minutes) | | 5 | | 5 |
| Percent of Employment Services Recipients Entering Employment | | 60% | | 60% |
| Percent of Reintegration of Offenders (RIO) Clients Who Entered Employment | | 75% | | 75% |
| Percent of Skills Development Fund Trainees Securing Employment with Participating Businesses | | 98% | | 98% |
| Percent of Self-Sufficiency Trainees Securing Employment with Participating Businesses | | 75% | | 75% |
| Percent of Skills Development Fund Trainees Employed One Year Later, Earning $11.00 Per Hour with Health Benefits | | 75% | | 75% |
| **B.1.1. Strategy:** UNEMPLOYMENT INSURANCE | $ | 108,462,812 | $ | 95,618,626 |
| Provide monetary assistance to eligible Texans during times of unemployment through a system of tax collection, benefits payment, and impartial dispute resolution. | | | | |
| **Output (Volume):** | | | | |
| Number of Initial Unemployment Insurance Claims Filed | | 1,015,382 | | 987,709 |
| **Efficiencies:** | | | | |
| Percent of Lower Unemployment Insurance Appeals Decisions Issued Timely | | 80% | | 80% |
| Average Time to Process Initial Unemployment Insurance Claim (Minutes) | | 15 | | 15 |
| **B.1.2. Strategy:** WORKFORCE SERVICES | $ | 93,861,573 | $ | 93,371,906 |
| Offer TWC-managed employment services to clients to prepare themselves to obtain and retain employment, promote volunteerism through | | | | |

| | | | | |
|---|---|---|---|---|
| local partnerships, and administer an information clearinghouse for employers, policy makers, and the public on programs and policies that support families in the community. | | | | |
| **Output (Volume):** | | | | |
| Number of Employment Services Participants Served | | 1,796,500 | | 1,850,395 |
| Number of RIO Participants Served | | 26,546 | | 26,533 |
| Number of Apprentices Served in State-sponsored Apprenticeship Training Programs | | 3,622 | | 3,622 |
| **Efficiencies:** | | | | |
| Average Cost Per Employment Services Participant Who Entered Employment | | 35.5 | | 33.97 |
| Average Cost Per RIO Participant Who Entered Employment | | 233 | | 232 |
| **Explanatory:** | | | | |
| Average Nonagricultural Wage Identified in TWC Job Orders as a Percent of Average Nonagricultural Wage Paid in Texas | | 56% | | 57% |
| **B.1.3. Strategy:** SKILLS DEVELOPMENT | $ | 12,359,587 | $ | 12,366,022 |
| Identify and help solve the workforce needs of Texas employers, in partnership with business, labor unions, community organizations, and educational institutions, administer funding to public community colleges and technical schools and qualifying businesses for equipping individuals to acquire skills needed to obtain employment and advance in their careers, and provide skilled employees in areas identified as needed by business and industry. | | | | |
| **Output (Volume):** | | | | |
| Number of Skills Development Fund Trainees | | 13,000 | | 13,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Participant Trained through the Skills Development Fund | | 993 | | 993 |
| **B.1.4. Strategy:** SELF-SUFFICIENCY | $ | 2,985,662 | $ | 2,985,661 |
| In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community colleges and technical schools for skills needs assessment and for equipping adult TANF recipients with skills needed by business and industry. | | | | |
| **Output (Volume):** | | | | |
| Number of Clients Served by the Self-Sufficiency Fund | | 1,000 | | 1,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Participant Trained by the Self-Sufficiency Program | | 3,800 | | 3,800 |
| **B.2.1. Strategy:** TA & STATE-LEVEL SUPPORT FOR LWDBS | $ | 34,870,851 | $ | 34,743,928 |
| Provide policy development, offer technical assistance and training to local workforce development area officials, boards, and staff as they develop and implement local service delivery plans, and provide timely service to employers and workers who have been dislocated due to company closure or downsizing. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Technical Assistance Visits | | 116 | | 116 |
| **B.2.2. Strategy:** CONTRACT MONITORING | $ | 2,986,378 | $ | 2,986,379 |
| Monitor and evaluate compliance of local area service delivery for fiscal accountability and program effectiveness through on-site visits and audits. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Monitoring Reviews of Contractors | | 72 | | 72 |

| | | | | |
|---|---|---|---|---|
| **B.2.3. Strategy:** ENFORCEMENT AND CERTIFICATION | $ | 6,979,767 | $ | 6,982,589 |
| Assist workers in obtaining payment of wages due, protect children from exploitation in the workplace, administer alien labor certification and tax credit programs, and ensure that veterans and students of proprietary schools receive appropriate instruction. | | | | |
| **Output (Volume):** | | | | |
| Number of On-site Inspections Completed for Texas Child Labor Law Compliance | | 2,550 | | 2,550 |
| Number of Licensed Proprietary Schools | | 390 | | 400 |
| **B.2.4. Strategy:** LABOR MARKET AND CAREER INFORMATION | $ | 5,110,300 | $ | 5,134,595 |
| Operate a statewide system to collect, research, analyze, disseminate, and integrate labor market and workforce information to support service delivery and informed decision making in Texas by individuals, business, labor, local workforce development boards, educational institutions, state and local officials, and other interested groups. | | | | |
| **Output (Volume):** | | | | |
| Number of Labor Market Information Requests Closed | | 96,716 | | 94,860 |
| **Explanatory:** | | | | |
| Number of Visits to Labor Market Information Web Data Pages | | 91,000 | | 93,000 |
| **Total, Goal B:** TWC MANAGED PROGRAMS | $ | 267,616,930 | $ | 254,189,706 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 9,074,490 | $ | 9,059,360 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 5,241,418 | $ | 5,241,323 |
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 4,139,456 | $ | 4,073,830 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 18,455,364 | $ | 18,374,513 |
| **Grand Total,** TEXAS WORKFORCE COMMISSION | $ | 1,040,542,464 | $ | 1,026,717,597 |
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| General Revenue Fund | $ | 25,789,772 | $ | 25,787,113 |
| GR MOE for Temporary Assistance for Needy Families | | 27,745,141 | | 27,745,141 |
| GR for Child Care and Development Fund | | 40,523,640 | | 40,523,640 |
| Proprietary School Fees | | 854,337 | | 854,338 |
| Subtotal, General Revenue Fund | $ | 94,912,890 | $ | 94,910,232 |
| GR Dedicated - Unemployment Compensation Special Administration Account No. 165 | | 5,200,498 | | 5,200,498 |
| Workforce Commission Federal Account No. 5026 | | 920,889,610 | | 907,135,747 |
| Other Funds | | | | |
| Appropriated Receipts | | 4,591,992 | | 4,591,998 |
| Interagency Contracts | | 14,947,474 | | 14,879,122 |
| Subtotal, Other Funds | $ | 19,539,466 | $ | 19,471,120 |
| **Total, Method of Financing** | $ | 1,040,542,464 | $ | 1,026,717,597 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 3,639.9 | | 3,610.8 |

| | | |
|---|---|---|
| **Schedule of Exempt Positions:** | | |
| Commissioner, Group 4 | $111,800 | $111,800 |
| Commissioner, Group 4 | (2) 109,200 | (2) 109,200 |
| Executive Director, Group 5 | 125,000 | 125,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 128,688,375 | $ 128,014,115 |
| Other Personnel Costs | 6,127,060 | 6,126,097 |
| Operating Costs | 58,580,802 | 58,598,506 |
| Client Services | 377,172,520 | 376,880,300 |
| Grants | 446,221,548 | 446,195,116 |
| Capital Expenditures | 23,752,159 | 10,903,463 |
| **Total, Object-of-Expense Informational Listing** | $ 1,040,542,464 | $ 1,026,717,597 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

| | 2004 | 2005 |
|---|---|---|
| a. Repair or Rehabilitation of Buildings and Facilities | | |
| (1) Austin Service Center (Main and Annex) | $ 700,000 | $ 700,000 |
| (2) Telecenter Consolidation | 5,866,000 | 0 |
| Total, Repair or Rehabilitation of Buildings and Facilities | $ 6,566,000 | $ 700,000 |
| b. Acquisition of Information Resource Technologies | | |
| (1) LAN/WAN Area Upgrade & Replacement | 2,509,500 | 2,509,500 |
| (2) PC Infrastructure and Refresh | 1,286,375 | 1,286,375 |
| (3) Phone System Replacement | 150,000 | 150,000 |
| (4) E-Strategy | 2,450,000 | 1,700,000 |
| (5) IBM Host Software | 1,937,628 | 1,937,628 |
| (6) Operations Infrastructure | 250,000 | 250,000 |
| (7) IBM Mainframe Lease (New) | 1,560,000 | 1,560,000 |
| (8) Mainframe Infrastructure Upgrade (New) | 2,374,800 | 2,174,800 |
| (9) PeopleSoft HRMS Upgrade | 1,774,580 | 0 |
| (10) PeopleSoft Financials 8.4 Upgrade | 0 | 2,385,592 |
| Total, Acquisition of Information Resource Technologies | $ 14,292,883 | $ 13,953,895 |
| Total, Capital Budget | $ 20,858,883 | $ 14,653,895 |
| Method of Financing (Capital Budget): | | |
| General Revenue Fund | $ 189,834 | $ 185,445 |

| | | |
|---|---|---|
| GR Dedicated - Unemployment Compensation Special Administration Account No. 165 | 95,460 | 103,014 |
| Interagency Contracts | 2,130 | 2,895 |
| Workforce Commission Federal Account No. 5026 | 20,556,948 | 14,345,445 |
| Proprietary School Fees | 14,511 | 17,096 |
| Total, Method of Financing | $ 20,858,883 | $ 14,653,895 |

2. **Appropriation: Federal Funds.** All moneys granted to Texas by the federal government for the administration of the Texas Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the comptroller for the Texas Workforce Commission (TWC), and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and for the purposes for which such moneys were granted. TWC shall notify the Legislative Budget Board and Governor of any funds and associated staffing received above the amounts appropriated above for the biennium.

3. **Section 903, Social Security Act Funds.**

   a. Out of amounts credited to Texas' account in the Federal Unemployment Trust Fund under § 903 of the Social Security Act, there is included in the appropriation above $4,960,503 in fiscal year 2004 and $5,036,568 in fiscal year 2005 for withdrawal and use by the Texas Workforce Commission (TWC) for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices and telecenters. Said funds may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by TWC, including the cost of repairs and alterations to such property and the purchase of computers and related peripheral equipment.

   b. Any amounts initially allocated by the federal government to TWC during fiscal year 2000, 2001, or 2002, except amounts transferred pursuant to Subsection 903(d), shall be used only to pay expenses incurred for the administration of the Texas Unemployment Compensation Act. These funds shall not be used by TWC for the payment of Unemployment Compensation benefits, or the administration of its Public Employment Offices.

   c. No part of any amounts based on an initial transfer from the federal government that occurred prior to fiscal year 2000 or after fiscal year 2002, herein appropriated out of amounts credited to Texas' account in the Federal Unemployment Trust Fund under § 903 of the Social Security Act, shall be expended after the close of the period covered by this act and any unused portion of such amounts shall, at such close, revert to Texas' said account in the Federal Unemployment Trust Fund. The amount obligated pursuant to this act shall not exceed at any time the amount by which (a) the aggregate of the amounts transferred to the account of this state pursuant to § 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.

   d. Should federal requirements concerning amounts made available under Section 903 of the Social Security Act change after passage of this Act, the appropriation made in this rider shall be subject to such conditions and limitations as required by the changed federal law.

4. **Authorization: Sale of Agency-owned Buildings and Land.** In order to ensure effective facility management in coordination with the local workforce development boards, the Texas Workforce Commission (TWC) is hereby authorized to sell agency-owned buildings and land. Any such sale must be based on a finding by the commission that no other economically viable alternative exists, and specifically that operation within agency-owned or leased buildings

would not be feasible. Furthermore, in order to accommodate sudden and unexpected fluctuations in federal funding, TWC is hereby authorized to sell agency-owned buildings and land as it deems necessary. The authority granted in this provision is contingent upon the filing of a written notice with the Governor and the Legislative Budget Board at least 90 days prior to the planned date of sale and is subject to the disapproval of either office within 90 days after notification.

5. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Workforce Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be maintained as individual reimbursing employers. For the purposes of this rider, 'agency' includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.

6. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Workforce Commission (TWC) is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the TWC and the responsible federal agency, and such other activities as come under the authority of the TWC, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

7. **Reappropriation of Federal and Local Funds.** All funds received by the Texas Workforce Commission from counties, cities, federal agencies, and from any other local source during the 2004–05 biennium, and all balances from such sources as of August 31, 2003, are hereby appropriated for the biennium ending August 31, 2005, for the purpose of carrying out the provisions of this Act.

8. **Unexpended Balances for Child Care Funds.** It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission (TWC) are appropriated to the commission for the purpose of drawing down all available federal funds for child care. The TWC may transfer unexpended and unobligated balances of General Revenue appropriations to Strategy A.1.1, Child Care Services, in order to match available federal child care funds, which are appropriated to TWC. TWC is not subject to the requirements of the Additional Federals Funds rider in this agency's bill pattern for federal child care funds matched with available General Revenue, although TWC should notify the Legislative Budget Board and the Governor of the amounts of additional General Revenue used as match and the federal child care funds matched in each year of the 2004–05 biennium.

9. **Donated Purchase Agreements.** In order to maximize the availability of state matching funds for federal child care funds and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations.

10. **Maximization of Child Care and Development Funds.** It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize federal funds for child care. Necessary system and accounting system changes to effect this intent are authorized.

11. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission (TWC), the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to inmate release. Not later than March 1, 2004, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. For performance measures included in the biennial strategic plan, TWC will set targets for local work force development boards and collect reports on actual performance. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2004–05 biennium with the Texas Department of Criminal Justice and the Texas Youth Commission at no less than the funding and performance levels maintained as of August 31, 2003.

12. **Earned Income Tax Credit Assistance.** Out of funds appropriated above, the Texas Workforce Commission shall assist recipients of Temporary Assistance for Needy Families who become employed, and other low-income workers who may qualify for the credit under federal income and other requirements, to apply for the federal Earned Income Tax Credit.

13. **Employment and Child Care Programs in Rural Areas.** It is the intent of the Legislature that the Texas Workforce Commission and local workforce development boards cost-effectively continue to expand the availability of employment and child care programs into rural areas.

14. **Continuing Education.** Recipients of child care service benefits who are 17 years of age or older with a high school diploma or GED and who wish to acquire an Associate Degree shall continue to be eligible for child care service benefits for a period not to exceed four years for an educational program if that program will prepare the recipient for a job in a high demand occupation with an upward career path as determined by a local workforce development board. The local workforce development board may determine the duration of child care assistance for a recipient in an educational program based on that individual's progress toward completing the program.

15. **Priority for TANF Recipients.** To the extent allowed under federal law, the Texas Workforce Commission (TWC) and local workforce development boards shall give priority to recipients of Temporary Assistance for Needy Families (TANF) for training, employment services and child care funded by the Workforce Investment Act (WIA). TWC shall report annually to the Legislative Budget Board and the Governor expenditures used for TANF recipients, the number of TANF recipients served with WIA funds, and their outcomes.

16. **Job Training Courses.** It is the intent of the Legislature that the primary objective of job training courses offered by the Texas Workforce Commission and local workforce development boards is to prepare individuals for high-skill, high-wage jobs with health benefits that result in long-term employability. Whenever possible, strategies should focus on incorporating industry sectors and/or regional industry clusters in order to promote high quality jobs. While English as a Second Language (ESL) may provide additional benefit to trainees, it may not be substituted for job training classes.

17. **Core Measures Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on agency performance on Core Measures prescribed by the Texas Council on Workforce and Economic Competitiveness. Each report shall be submitted with the agency's quarterly performance report and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

18. **Budget and Performance Report.** The Texas Workforce Commission shall submit a monthly report to the Legislative Budget Board and the Governor on budgeted, expended, and encumbered funds by strategy (and substrategy as appropriate) along with full-time equivalent and method of finance information. The report shall also include program performance information for performance measures included in this Act.

19. **Skills Development and Self-Sufficiency Fund Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on contracts executed by the commission, expenditures, program participants, and closed contracts for each Skills Development Fund and Self-Sufficiency Fund contract. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

20. **Contracts for Purchase of Client Services.** No funds appropriated to the Texas Workforce Commission may be utilized for contracts for the purchase of program-related client services unless:

    a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

    b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;

    c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;

    d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

    e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable to achieve program objectives.

21. **Additional Federal Funds.** No appropriation of federal funds in addition to the estimated amounts above may be expended by the Texas Workforce Commission (TWC) unless:

    a. TWC files a finding of fact along with a written plan outlining the use and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,

    b. neither the Legislative Budget Board nor the Governor issues a written disapproval within 15 days of the receipt of the finding of fact and the written plan, which should not prohibit the agency from responding in an emergency.

22. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Workforce Commission are made contingent on the continuation of the agency by the Seventy-eighth

Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

23. **Night and Weekend Shift Differential.** The Texas Workforce Commission is hereby authorized to pay an additional night shift salary differential not to exceed fifteen percent (15%) of the monthly pay rate to personnel who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift differential not to exceed five percent (5%) of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

24. **TANF Transfers to Title XX.** Out of the funds appropriated above in Strategy A.2.2, TANF Choices, the Texas Workforce Commission may request approval from the Legislative Budget Board and the Governor to transfer federal Temporary Assistance for Needy Families funds to the Social Services Block Grant to be used for transportation services to families residing in minimum service counties.

## REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** STATE'S UC REIMBURSEMENT<br>To comply with statutory requirements concerning the reimbursement of the Unemployment Compensation Benefits Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas. | | |
| **A.1.1. Strategy:** STATE'S UC REIMBURSEMENT<br>Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas. | $ 13,877,356 | $ 13,877,356 |
| **Grand Total,** REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT | $ 13,877,356 | $ 13,877,356 |
| **Method of Financing:** | | |
| GR Dedicated - Unemployment Compensation Special Administration Account No. 165, estimated | $ 5,105,106 | $ 4,929,661 |
| Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, estimated | 8,772,250 | 8,947,695 |
| **Total, Method of Financing** | $ 13,877,356 | $ 13,877,356 |
| **Object-of-Expense Informational Listing:** | | |
| Other Personnel Costs | $ 13,877,356 | $ 13,877,356 |
| **Total, Object-of-Expense Informational Listing** | $ 13,877,356 | $ 13,877,356 |

1. **Definition of Agency.** For the purposes of the Reimbursements to the Unemployment Compensation Benefit Account item, 'agency' includes a state agency as defined under

§ 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.

2. **Reimbursements to the Unemployment Compensation Benefit Account No. 937.** Reimbursements to the Unemployment Compensation Benefit Account No. 937 shall be made from:
   a. Funds identified as GR–Dedicated - Unemployment Compensation Special Administration Account No. 165 above, which consists of penalty and interest receipts collected under Chapters 213.021 and 213.022, Texas Labor Code.

   b. Funds identified as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165 above, which consist of amounts transferred from other agencies' appropriations made elsewhere in this Act to state agencies in accordance with § 6.33, Reimbursements for Unemployment Benefits, in General Provisions of this Act.

3. **Funding Source for Unemployment Compensation Special Administration Account No. 165.** Funds identified in the method of financing above, Unemployment Compensation Special Administration Account No. 165, include penalty and interest receipts collected under Chapters 213.021 and 213.022, Texas Labor Code and authorized for the payment of unemployment compensation benefits to former state employees pursuant to Chapter 203.202, Texas Labor Code. These amounts are estimated and are to be utilized for amounts not paid by state agency reimbursements.

4. **Funding Source for Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165.** Funds identified in the method of financing above, Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, include agency reimbursements from appropriations made elsewhere in this Act to GR–Dedicated Account No. 165. These amounts are estimated. Account No. 165 shall be reimbursed for one-half of the unemployment benefits paid from appropriations made in this Act to the state agency that previously employed each respective former state employee whose payroll warrants were originally issued in whole or in part from the General Revenue Fund, a dedicated General Revenue Account, Federal Funds or Other Funds, such as Fund 006.

5. **Proportionality Requirements for Agency Reimbursements related to Unemployment Compensation Benefits.** From information related to unemployment benefits paid on behalf of previously employed former state employees provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, any General Revenue–Dedicated Accounts, Federal Funds or Other Funds from appropriations made elsewhere in this Act to state agencies. The Comptroller shall transfer these amounts of appropriations made elsewhere in this Act to the Unemployment Compensation Special Administration Account No 165. The amounts reimbursed pursuant to this provision are hereby appropriated to the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. These reimbursement requirements may be waived, either in whole or in part, by the Legislative Budget Board.

6. **Cash Flow Contingency.** Contingent upon the receipt of state agency reimbursements, the Texas Workforce Commission (TWC) may temporarily utilize additional GR–Dedicated Unemployment Compensation Special Administration Account No. 165 funds, in an amount not to exceed the anticipated state agency reimbursement. The Account No. 165 amounts utilized above amounts appropriated from penalty and interest collections as identified in Rider 2(a) must be repaid upon receipt of state agency reimbursements for previously paid payroll warrants and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be made

## REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT
(Continued)

in accordance with established state accounting procedures. All transfers of the method of finance shall be reported by the TWC on a monthly basis to the Legislative Budget Board and Governor.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 44,457,290 | $ 41,160,042 |
| **A.1.2. Strategy:** GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated. | $ 147,234,869 | $ 150,248,130 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 191,692,159 | $ 191,408,172 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 191,692,159 | $ 191,408,172 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 4,645,650 | $ 4,733,210 |
| General Revenue Dedicated Accounts, estimated | 2,484,355 | 2,434,276 |
| State Highway Fund No. 006, estimated | 146,107,628 | 145,906,723 |
| Federal Funds, estimated | 37,502,130 | 37,408,487 |
| Other Special State Funds, estimated | 952,396 | 925,476 |
| **Total, Method of Financing** | $ 191,692,159 | $ 191,408,172 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated. | $ 55,287,827 | $ 55,837,728 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 11,184,876 | $ 10,614,447 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 66,472,703 | $ 66,452,175 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 66,472,703 | $ 66,452,175 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund, estimated | $ | 1,686,247 | $ | 1,683,022 |
| General Revenue Dedicated Accounts, estimated | | 1,526,454 | | 1,528,316 |
| State Highway Fund No. 006, estimated | | 49,900,048 | | 49,876,932 |
| Federal Funds, estimated | | 12,831,723 | | 12,833,590 |
| Other Special State Funds, estimated | | 528,231 | | 530,315 |
| **Total, Method of Financing** | $ | 66,472,703 | $ | 66,452,175 |

## BOND DEBT SERVICE PAYMENTS

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements. | | | | |
| **A.1.1. Strategy:** BOND DEBT SERVICE | $ | 3,080,339 | $ | 7,812,304 & UB |
| Make general obligation bond debt service payments in compliance with bond covenants. | | | | |
| **Grand Total,** BOND DEBT SERVICE PAYMENTS | $ | 3,080,339 | $ | 7,812,304 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **Out of the General Revenue Fund:** | | | | |
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | | | |
| **A.1.1. Strategy:** LEASE PAYMENTS | $ | 162,790 | $ | 162,913 & UB |
| Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | | | | |
| **Grand Total,** LEASE PAYMENTS | $ | 162,790 | $ | 162,913 |

## RECAPITULATION - ARTICLE VII
## BUSINESS AND ECONOMIC DEVELOPMENT
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Department of Economic Development | $ 845,268 | $ 843,729 |
| Rider Appropriations | 20,000,000 | 20,000,000 |
| Total | 20,845,268 | 20,843,729 |
| Department of Housing and Community Affairs | 7,252,847 | 7,293,538 |
| Rider Appropriations | 6,450,000 | 450,000 |
| Total | 13,702,847 | 7,743,538 |
| Texas Lottery Commission | 2,559,266 | 2,590,379 |
| Office of Rural Community Affairs | 3,381,709 | 3,526,128 |
| Department of Transportation, Rider Appropriations | 38,246 | 38,246 |
| Texas Workforce Commission | 94,912,890 | 94,910,232 |
| Subtotal, Business and Economic Development | $ 135,440,226 | $ 129,652,252 |
| Retirement and Group Insurance | 4,645,650 | 4,733,210 |
| Social Security and Benefit Replacement Pay | 1,686,247 | 1,683,022 |
| Subtotal, Employee Benefits | $ 6,331,897 | $ 6,416,232 |
| Bond Debt Service Payments | 3,080,339 | 7,812,304 |
| Lease Payments | 162,790 | 162,913 |
| Subtotal, Debt Service | $ 3,243,129 | $ 7,975,217 |
| TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | $ 145,015,252 | $ 144,043,701 |

## RECAPITULATION - ARTICLE VII
## BUSINESS AND ECONOMIC DEVELOPMENT
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Department of Economic Development | $ 430,251 | $ 438,727 |
| Texas Lottery Commission | 159,824,375 | 155,199,472 |
| Contingency Appropriations | 7,700,049 | 10,469,703 |
| Total | 167,524,424 | 165,669,175 |
| Department of Transportation | 603,844 | 615,434 |
| Texas Workforce Commission | 5,200,498 | 5,200,498 |
| Reimbursements to the Unemployment Compensation Benefit Account | 5,105,106 | 4,929,661 |
| Subtotal, Business and Economic Development | $ 178,864,123 | $ 176,853,495 |
| Retirement and Group Insurance | 2,484,355 | 2,434,276 |
| Social Security and Benefit Replacement Pay | 1,526,454 | 1,528,316 |
| Subtotal, Employee Benefits | $ 4,010,809 | $ 3,962,592 |
| TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | $ 182,874,932 | $ 180,816,087 |

## RECAPITULATION - ARTICLE VII
## BUSINESS AND ECONOMIC DEVELOPMENT
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Department of Economic Development | $ 5,584,610 | $ 3,611,402 |
| Department of Housing and Community Affairs | 131,040,487 | 130,979,680 |
| Office of Rural Community Affairs | 89,519,834 | 89,281,950 |
| Department of Transportation | 2,359,491,828 | 2,301,738,663 |
| Texas Workforce Commission | 920,889,610 | 907,135,747 |
| Subtotal, Business and Economic Development | $ 3,506,526,369 | $ 3,432,747,442 |
| Retirement and Group Insurance | 37,502,130 | 37,408,487 |
| Social Security and Benefit Replacement Pay | 12,831,723 | 12,833,590 |
| Subtotal, Employee Benefits | $ 50,333,853 | $ 50,242,077 |
| TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | $ 3,556,860,222 | $ 3,482,989,519 |

## RECAPITULATION - ARTICLE VII
## BUSINESS AND ECONOMIC DEVELOPMENT
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Department of Economic Development | $ 310,879 | $ 310,879 |
| Rider Appropriations | 3,497,581 | 1,757,621 |
| Total | 3,808,460 | 2,068,500 |
| Department of Housing and Community Affairs | 14,563,671 | 14,436,112 |
| Department of Transportation | 3,040,797,996 | 3,025,226,299 |
| Rider Appropriations | 25,000,000 | 0 |
| Total | 3,065,797,996 | 3,025,226,299 |
| Texas Workforce Commission | 19,539,466 | 19,471,120 |
| Reimbursements to the Unemployment Compensation Benefit Account | 8,772,250 | 8,947,695 |
| Subtotal, Business and Economic Development | $ 3,112,481,843 | $ 3,070,149,726 |
| Retirement and Group Insurance | 147,060,024 | 146,832,199 |
| Social Security and Benefit Replacement Pay | 50,428,279 | 50,407,247 |
| Subtotal, Employee Benefits | $ 197,488,303 | $ 197,239,446 |
| Less Interagency Contracts | $ 23,802,691 | $ 23,909,784 |
| TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | $ 3,286,167,455 | $ 3,243,479,388 |

# RECAPITULATION - ARTICLE VII
# BUSINESS AND ECONOMIC DEVELOPMENT
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Texas Department of Economic Development | $ 7,171,008 | $ 5,204,737 |
| Rider Appropriations | 23,497,581 | 21,757,621 |
| Total | 30,668,589 | 26,962,358 |
| Department of Housing and Community Affairs | 152,857,005 | 152,709,330 |
| Rider Appropriations | 6,450,000 | 450,000 |
| Total | 159,307,005 | 153,159,330 |
| Texas Lottery Commission | 162,383,641 | 157,789,851 |
| Contingency Appropriations | 7,700,049 | 10,469,703 |
| Total | 170,083,690 | 168,259,554 |
| Office of Rural Community Affairs | 92,901,543 | 92,808,078 |
| Department of Transportation | 5,400,893,668 | 5,327,580,396 |
| Rider Appropriations | 25,038,246 | 38,246 |
| Total | 5,425,931,914 | 5,327,618,642 |
| Texas Workforce Commission | 1,040,542,464 | 1,026,717,597 |
| Reimbursements to the Unemployment Compensation Benefit Account | 13,877,356 | 13,877,356 |
| Subtotal, Business and Economic Development | $ 6,933,312,561 | $ 6,809,402,915 |
| Retirement and Group Insurance | 191,692,159 | 191,408,172 |
| Social Security and Benefit Replacement Pay | 66,472,703 | 66,452,175 |
| Subtotal, Employee Benefits | $ 258,164,862 | $ 257,860,347 |
| Bond Debt Service Payments | 3,080,339 | 7,812,304 |
| Lease Payments | 162,790 | 162,913 |
| Subtotal, Debt Service | $ 3,243,129 | $ 7,975,217 |
| Less Interagency Contracts | $ 23,802,691 | $ 23,909,784 |
| TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | $ 7,170,917,861 | $ 7,051,328,695 |
| Number of Full-Time-Equivalent Positions (FTE) | 19,122.4 | 19,091.3 |

# ARTICLE VIII

# REGULATORY

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

## BOARD OF PUBLIC ACCOUNTANCY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** PUBLIC STANDARDS<br>To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors which will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees Who Renew Online | 15% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| Percentage of Accounting Firms Receiving Favorable Review | 97% | 97% |
| **A.1.1. Strategy:** LICENSING<br>Manage a comprehensive licensing and examination program. | $ 709,750 | $ 661,511 |
| **Output (Volume):** | | |
| Number of Individuals Examined | 5,984 | 5,984 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 4.75 | 4.78 |
| Average Licensing Cost Per Facility License | 3.2 | 3.23 |
| **Explanatory:** | | |
| Total Number of Individuals Licensed | 65,151 | 67,106 |
| Total Number of Business Facilities Licensed | 11,236 | 11,461 |
| **A.1.2. Strategy:** EXAMINATION<br>Purchase the Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA) to promote uniformity and reciprocity with other licensing jurisdictions and utilize AICPA grading services to ensure that all papers written by candidates are graded consistently (estimated and nontransferable). | $ 434,584 | $ 0 |
| **A.2.1. Strategy:** PEER REVIEW<br>Develop and implement a comprehensive quality review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Peer Review Oversight Board. | $ | $ |
| **Total, Goal A:** PUBLIC STANDARDS | $ 1,144,334 | $ 661,511 |

**B. Goal:** PROTECT PUBLIC/ENFORCEMENT
To aggressively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws.

## BOARD OF PUBLIC ACCOUNTANCY
(Continued)

| | | | | |
|---|---|---|---|---|
| To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Complaints Resolved Resulting in Disciplinary Action | | 32% | | 32% |
| **B.1.1. Strategy:** ENFORCEMENT | $ | 825,834 | $ | 838,090 |
| Operate a system of enforcement which includes investigating and resolving complaints and promulgating rules. | | | | |
| **Output (Volume):** | | | | |
| Total Number of Major Cases Investigated | | 15 | | 15 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 242 | | 242 |
| **C. Goal:** PUBLIC EDUCATION | | | | |
| To inform the public concerning board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation. | | | | |
| **C.1.1. Strategy:** PUBLIC INFORMATION | $ | | $ | |
| Develop and operate a coordinated system of public information to provide all interested parties information concerning statutes governing the accounting profession, as well as board rules and procedures pertaining to qualification, examination, licensing, enforcement, and quality review. | | | | |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 940,023 | $ | 965,012 |
| **Grand Total,** BOARD OF PUBLIC ACCOUNTANCY | $ | 2,910,191 | $ | 2,464,613 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 2,860,191 | $ | 2,414,613 |
| Appropriated Receipts | | 50,000 | | 50,000 |
| **Total, Method of Financing** | $ | 2,910,191 | $ | 2,464,613 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 511,260 | $ | 515,486 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 38.7 | | 38.7 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| Per Diem of Board Members | | 16,000 | | 16,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,523,452 | $ | 1,553,920 |
| Other Personnel Costs | | 41,727 | | 41,727 |
| Operating Costs | | 1,249,078 | | 751,287 |
| Capital Expenditures | | 95,934 | | 117,679 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,910,191 | $ | 2,464,613 |

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

purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | 2004 | 2005 |
|---|---|---|
| Out of the General Revenue Fund: | | |
| a. Acquisition of Information Resource Technologies | | |
| (1) Upgrade LAN | $ 95,934 | $ 117,679 |
| Total, Capital Budget | $ 95,934 | $ 117,679 |

2. **Appropriation for Major Cases.** Of amounts appropriated in Strategy B.1.1, Enforcement, $200,000 is available each year of the biennium to be used only for the payment of services rendered by the Texas Attorney General's Office, for legal counsel, for expert witness fees, for other reasonable and necessary expenditures, and for expenditures of the Texas State Board of Public Accountancy, incurred in connection with the prosecution of "major cases" now pending before the board or anticipated in the future. "Major cases" involve public accounting firms implicated in the audits of savings and loan organizations, financial institutions, insurance companies, and other cases of a major nature.

3. **Purchase of Examinations.** The amount appropriated above in Strategy A.1.2, Examination, shall be expended solely for the purpose of purchasing and grading of the Uniform CPA Examination from the American Institute of Certified Public Accountants.

4. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following committees:

   Behavioral Enforcement
   Continuing Professional Education
   Licensing
   Major Case Enforcement
   Peer Assistance Oversight
   Quality Review
   Qualifications
   Committee on Board Rule Changes
   Technical Standards Review

5. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Public Accountancy are made contingent on the continuation of the Board of Public Accountancy by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## BOARD OF PUBLIC ACCOUNTANCY
(Continued)

6. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Public Accountancy shall not take effect.

## STATE OFFICE OF ADMINISTRATIVE HEARINGS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ADMINISTRATIVE HEARINGS | | |
| To provide Texas state agencies and citizens a fair and efficient administrative hearings and alternative dispute resolution process. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Participants Surveyed Expressing Satisfaction with Overall Process | 82% | 82% |
| **A.1.1. Strategy:** CONDUCT HEARINGS | $ 5,441,974 | $ 5,441,974 |
| Conduct hearings and prepare proposals for decision (PFDs) and proposed orders and final orders; monitor workloads of Administrative Law Judges (ALJs). | | |
| **Output (Volume):** | | |
| Number of Administrative License Revocation Cases Disposed | 19,350 | 19,500 |
| Number of Cases Disposed | 23,600 | 23,600 |
| Number of Administrative Fine Cases Disposed | 230 | 240 |
| Percent of Available ALJ Time Spent on Case Work (non-ALR) | 100% | 100% |
| **Efficiencies:** | | |
| Average Cost Per Case | 320 | 320 |
| Average Number of Days from Close of Record to Issuance of PFD - Major Hearings | 55 | 55 |
| Average Time to Dispose of a Case (Median Number of Days) | 89 | 89 |
| **Explanatory:** | | |
| Number of Cases Received | 25,300 | 25,300 |
| Number of Agencies Served | 64 | 65 |
| **A.2.1. Strategy:** CONDUCT ALT DISPUTE RESOLUTION | $ 157,277 | $ 157,277 |
| Conduct mediated settlement conferences, mediations, arbitrations and other alternative dispute resolution proceedings. | | |
| **Efficiencies:** | | |
| Average Cost Per Alternative Dispute Resolution Proceeding | 1,200 | 1,200 |
| **Explanatory:** | | |
| Number of Alternative Dispute Resolution Cases Requested or Referred | 100 | 100 |
| **Total, Goal A:** ADMINISTRATIVE HEARINGS | $ 5,599,251 | $ 5,599,251 |
| **B. Goal:** INDIRECT ADMINISTRATION | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ 1,109,056 | $ 1,109,056 |
| **Grand Total,** STATE OFFICE OF ADMINISTRATIVE HEARINGS | $ 6,708,307 | $ 6,708,307 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 2,246,741 | $ 2,246,741 |

## STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Appropriated Receipts | | 125,000 | | 125,000 |
| Interagency Contracts | | 1,561,833 | | 1,561,833 |
| State Highway Fund No. 006 | | 2,774,733 | | 2,774,733 |
| Subtotal, Other Funds | $ | 4,461,566 | $ | 4,461,566 |
| **Total, Method of Financing** | $ | 6,708,307 | $ | 6,708,307 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 117.6 | | 117.6 |
| **Schedule of Exempt Positions:** | | | | |
| Chief Administrative Law Judge, Group 3 | | $98,625 | | $98,625 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 5,502,981 | $ | 5,502,981 |
| Other Personnel Costs | | 66,459 | | 66,459 |
| Professional Fees and Services | | 56,363 | | 56,363 |
| Consumable Supplies | | 26,748 | | 26,748 |
| Utilities | | 99,801 | | 99,801 |
| Travel | | 60,768 | | 60,768 |
| Rent - Building | | 227,654 | | 227,654 |
| Rent - Machine and Other | | 45,716 | | 45,716 |
| Other Operating Expense | | 591,817 | | 586,817 |
| Capital Expenditures | | 30,000 | | 35,000 |
| **Total, Object-of-Expense Informational Listing** | $ | 6,708,307 | $ | 6,708,307 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the Interagency Contracts: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Replace Personal Computers | $ | 30,000 | $ | 35,000 |
| Total, Capital Budget | $ | 30,000 | $ | 35,000 |

2. **Interagency Contracts.** In executing interagency contracts with state agencies under its jurisdiction, the State Office of Administrative Hearings shall establish procedures which will allow agencies to establish a limitation on the aggregate billable amount for a fiscal year.

3. **Renegotiation of Lump Sum Contract.** Appropriations made above to Strategy A.1.1, Conduct Hearings, include $938,860 in fiscal year 2004 and $938,860 in fiscal year 2005 to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Commission

on Environmental Quality (TCEQ). The State Office of Administrative Hearings (SOAH) and TCEQ may not enter into a contract for an amount less than the specified amounts herein above. If SOAH determines, at the end of each fiscal year, that the amount paid under the contract exceeds the funding necessary for the Natural Resources Division, it shall refund the difference. If SOAH determines that these amounts are insufficient to fund the Natural Resources Division it may enter into negotiations with the TCEQ in order to renegotiate an interagency contract in a manner which will provide it with additional funds, provided that SOAH shall not be appropriated any state funds from such renegotiated interagency contract until it gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the TCEQ.

4. **Benefit Collection.** Agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than General Revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.

5. **Contingency Appropriation for Expanded Jurisdiction.** Contingent on the enactment of legislation by the Seventy-eighth Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.

6. **Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings (SOAH) shall submit to the Legislative Budget Board and the Governor a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate, for each agency served, the number of cases received, the number of cases disposed of, the number of administrative fine cases disposed of and the median number of days between the date a case is received by SOAH and the date the case is finally disposed of, during the reporting period.

7. **Interagency Contract for Administrative Law Judge Training.** Out of funds appropriated above, the State Office of Administrative Hearings shall enter into a contract in the amount of $25,000 with the Texas Center for the Judiciary for training of Administrative Law Judges. Any amounts not expended as of August 31, 2004, are appropriated for the fiscal year beginning September 1, 2004.

8. **Billing Rate for Excess Workload.** Contingent on the referral of unanticipated levels of work by any agency for which the State Office of Administrative Hearings (SOAH) provided service during the 2002–03 biennium, SOAH is authorized to bill that agency at a rate of $90 per hour for each hour of work performed during each fiscal year of the biennium that exceeds by ten percent that agency's average annual workload (case related hours) handled by SOAH for the 2002–03 biennium. This rider applies only to agencies that have hearing costs paid through an appropriation of General Revenue to SOAH based upon hearing costs from previous fiscal years. The following agencies are not subject to this rider:

## STATE OFFICE OF ADMINISTRATIVE HEARINGS
(Continued)

(1) Board of Public Accountancy
(2) Appraisal Certification and Licensing Board
(3) Board of Architectural Examiners
(4) Board of Barber Examiners
(5) Board of Chiropractic Examiners
(6) Cosmetology Commission
(7) Credit Union Department
(8) Board of Dental Examiners
(9) Board of Professional Engineers
(10) Funeral Service Commission
(11) Board of Professional Geoscientists
(12) Board of Professional Land Surveying
(13) Board of Medical Examiners
(14) Board of Nurse Examiners
(15) Board of Vocational Nurse Examiners
(16) Optometry Board
(17) Structural Pest Control Board
(18) Board of Pharmacy
(19) Executive Council of Physical and Occupational Therapy Examiners
(20) Board of Plumbing Examiners
(21) Board of Podiatric Medical Examiners
(22) Board of Examiners of Psychologists
(23) Board of Tax Professional Examiners
(24) Board of Veterinary Medical Examiners

9. **Contingency for Continuation of Self-directed Semi-independent Agency Pilot Project.** Contingent upon the continuation of the self-directed semi-independent agency pilot project by the Legislature during the 2004–05 biennium, the Board of Public Accountancy, the Board of Architectural Examiners, and the Board of Professional Engineers shall be removed from the exemption granted in Rider 8 above.

10. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the State Office of Administrative Hearings are made contingent on the continuation of the State Office of Administrative Hearings by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## BOARD OF ARCHITECTURAL EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** REGISTRATION STANDARDS<br>To establish and implement quality standards of professional education, internship, and examination for the registration of architects, landscape architects, and interior designers. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99.16% | 99.16% |
| Percent of Licensees Who Renew Online | 15% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** REGISTRATION AND RENEWAL<br>Operate an efficient and comprehensive registration system, including initial registration by examination and reciprocity, | $ 802,315 | $ 808,488 |

| | | | | |
|---|---|---|---|---|
| and the continuing renewal of current registration. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 550 | | 550 |
| Number of Licenses Renewed (Individuals) | | 17,813 | | 17,813 |
| **A.1.2. Strategy:** BUY AND GRADE NATIONAL EXAMINATIONS | $ | 268,000 | $ | 268,000 |
| Purchase and grade national examinations (estimated and nontransferable). | | | | |
| **Total, Goal A:** REGISTRATION STANDARDS | $ | 1,070,315 | $ | 1,076,488 |
| **B. Goal:** EDUCATION AND ENFORCEMENT | | | | |
| To establish and implement an education/enforcement program to promote compliance with laws and rules; and to swiftly and assertively enforce all laws and rules relating to the practice of the profession of architecture, landscape architecture, and interior design to ensure that the public's health, safety, and property are protected from the irresponsible practice of these professions. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action | | 29.8% | | 29.8% |
| **B.1.1. Strategy:** PUBLIC INFORMATION | $ | 131,980 | $ | 133,119 |
| Provide information to registrants, the public, building officials, and schools through mailings and presentations regarding architecture, landscape architecture, and interior design. | | | | |
| **B.2.1. Strategy:** ENFORCEMENT | $ | 399,493 | $ | 405,224 |
| Promptly act and proactively enforce all laws regulated by the Board of Architectural Examiners to safeguard the life, health, property and public welfare. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 235 | | 235 |
| **Efficiencies:** | | | | |
| Average Cost per Investigation | | 718 | | 718 |
| **Total, Goal B:** EDUCATION AND ENFORCEMENT | $ | 531,473 | $ | 538,343 |
| **Grand Total,** BOARD OF ARCHITECTURAL EXAMINERS | $ | 1,601,788 | $ | 1,614,831 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,591,734 | $ | 1,604,777 |
| Appropriated Receipts | | 10,054 | | 10,054 |
| **Total, Method of Financing** | $ | 1,601,788 | $ | 1,614,831 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 230,210 | $ | 232,266 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 21.0 | | 21.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $65,000 | | $65,000 |
| Per Diem of Board Members | | 5,340 | | 5,340 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 977,161 | $ | 981,428 |
| Other Personnel Costs | | 30,000 | | 30,720 |

## BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

| | | |
|---|---|---|
| Operating Costs | 594,627 | 602,683 |
| **Total, Object-of-Expense Informational Listing** | $ 1,601,788 | $ 1,614,831 |

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates are established pursuant to Government Code Chapter 316, §§ 316.041-316.045, to be effective during fiscal years 2004–05, beginning September 1, 2003, and September 1, 2004.

| | 2004 | | 2005 | |
|---|---|---|---|---|
| (1) NCARB Examination Fee | NTE | $981 | NTE | $981 |
| (2) LARE Examination Fee | NTE | $770 | NTE | $830 |
| (3) NCIDQ Examination Fee | NTE | $675 | NTE | $700 |

Any fee rates established or modified by the Board of Architectural Examiners during the 2004–05 biennium, other than those identified in this Act, shall be at the discretion of the board as authorized by statute.

2. **Examination Fee for Architects.** The Board of Architectural Examiners may charge in excess of $981 for the examination fee for architects provided: 1) the Board aggressively pursues actions to reduce the cost of the national examination fee; and 2) no later than August 1 of each fiscal year, the board shall submit a report to the Legislative Budget Board which includes the actions taken by the board to reduce the examination rate and the proposed fee to be charged effective September 1 of each fiscal year. In the event the Legislative Budget Board determines that the board's efforts have not resulted in a reasonable examination fee, the board of Architectural Examiners shall take appropriate steps to develop a state examination for architects.

3. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Architectural Examiners are made contingent on the continuation of the Board of Architectural Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

4. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Architectural Examiners shall not take effect.

## BOARD OF BARBER EXAMINERS

| | For the Years Ending August 31, 2004 | August 31, 2005 |
|---|---|---|
| **A. Goal:** EXAMINE AND LICENSE<br>To protect the consumer by ensuring that applicants for licensure receive a prescribed course of study from qualified instructors and that all licensees are informed of changes in the laws and rules | | |

| | | | | |
|---|---|---|---|---|
| governing barbering. To examine and license all qualified individuals. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees with No Recent Violations | | 99% | | 99% |
| Percent of Licensees Who Renew Online | | 13% | | 18% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **A.1.1. Strategy:** LICENSING | $ | 267,608 | $ | 267,608 |
| Examine and license barbers, specialists, and teachers in Texas. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 800 | | 800 |
| Number of Licenses Renewed (Individuals) | | 6,000 | | 6,000 |
| **B. Goal:** ENFORCEMENT | | | | |
| To provide timely inspections of barbershops and barber schools; to enforce effectively the rules and regulations set forth and ensure the compliance of barber laws and regulations by the barbershops, specialty shops, schools and individual licensees. Additionally, to resolve complaints and violations on a timely basis for the protection of the consumer. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resolved Resulting in Disciplinary Action | | 50% | | 50% |
| **B.1.1. Strategy:** INVESTIGATIONS | $ | 314,068 | $ | 314,068 |
| Operate a system of enforcement which includes investigating and resolving complaints and positioning of inspectors in each of the state's enforcement areas. | | | | |
| **Output (Volume):** | | | | |
| Complaints Resolved | | 75 | | 75 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 45 | | 45 |
| **Grand Total,** BOARD OF BARBER EXAMINERS | $ | 581,676 | $ | 581,676 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 544,176 | $ | 544,176 |
| Appropriated Receipts | | 37,500 | | 37,500 |
| **Total, Method of Financing** | $ | 581,676 | $ | 581,676 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 232,220 | $ | 237,193 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 12.0 | | 12.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $45,000 | | $45,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 362,954 | $ | 362,954 |
| Other Personnel Costs | | 9,321 | | 9,321 |
| Operating Costs | | 209,401 | | 209,401 |
| **Total, Object-of-Expense Informational Listing** | $ | 581,676 | $ | 581,676 |

1. **Enforcement.** None of the funds appropriated above shall be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program

during the 2004–05 biennium. A copy of the signed crossover enforcement contract shall be sent to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

## BOARD OF CHIROPRACTIC EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENSURE PUBLIC PROTECTION | | |
| To pursue the avenues of examination, licensure, and enforcement to insure that only qualified individuals are licensed as Doctors of Chiropractic, and that they are abiding by the laws and rules governing chiropractic in Texas; to guarantee that the public is protected from incompetent services, fraud, and misrepresentation. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Percent of Licensees Who Renew Online | 10% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| Percent of Complaints Resulting in Disciplinary Action | 17% | 17% |
| **A.1.1. Strategy:** LICENSING SYSTEM | $ 177,518 | $ 177,518 |
| Operate an efficient, cost-effective, and comprehensive chiropractic certification and licensure system. | | |
| **Output (Volume):** | | |
| Number of Individuals Examined | 345 | 350 |
| Number of New Licenses Issued to Individuals | 334 | 334 |
| Number of Licenses Renewed (Individuals) | 4,604 | 4,604 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 9.16 | 9.16 |
| Average Licensing Cost Per Facility License Issued | 2.79 | 2.79 |
| **Explanatory:** | | |
| Total Number of Business Facilities Licensed | 2,400 | 2,400 |
| **A.2.1. Strategy:** ENFORCEMENT | $ 144,870 | $ 144,870 |
| Operate a system of enforcement which includes investigating and resolving complaints. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 250 | 250 |
| **Efficiencies:** | | |
| Average Time Per Complaint Resolution (Days) | 125 | 125 |
| **Explanatory:** | | |
| Number of Jurisdictional Complaints Received | 270 | 270 |
| **Total, Goal A:** ENSURE PUBLIC PROTECTION | $ 322,388 | $ 322,388 |
| **Grand Total,** BOARD OF CHIROPRACTIC EXAMINERS | $ 322,388 | $ 322,388 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 309,381 | $ 309,381 |
| Appropriated Receipts | 13,007 | 13,007 |
| **Total, Method of Financing** | $ 322,388 | $ 322,388 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 136,202 | $ 138,432 |

## BOARD OF CHIROPRACTIC EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Number of Full-Time-Equivalent Positions (FTE):** | | 7.0 | | 7.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $52,000 | | $52,000 |
| Per Diem of Board Members | | 4,050 | | 4,050 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 222,825 | $ | 222,825 |
| Other Personnel Costs | | 9,531 | | 9,531 |
| Operating Costs | | 90,032 | | 90,032 |
| **Total, Object-of-Expense Informational Listing** | $ | 322,388 | $ | 322,388 |

## COSMETOLOGY COMMISSION

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** LICENSING & ENFORCEMENT<br>To protect the public by licensing the cosmetology profession, establishing standards for professional practice, and ensuring swift, fair, and effective enforcement of the statute so that consumers are protected from incompetent services, fraud, and misrepresentation. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees with No Recent Violations | | 98% | | 98% |
| Percent of Licensees Who Renew Online | | 12% | | 17% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| Percent of Complaints Resulting in Disciplinary Action | | 30% | | 30% |
| **A.1.1. Strategy:** LICENSING<br>Examine applicants and issue individual and establishment licenses. | $ | 808,044 | $ | 797,919 |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 17,950 | | 17,950 |
| Number of Licenses Renewed (Individuals) | | 78,550 | | 78,550 |
| **A.2.1. Strategy:** ENFORCEMENT<br>Enforce laws and rules by conducting inspections and investigations and, upon review of complaints, recommending disciplinary or other action to be taken. | $ | 937,717 | $ | 938,813 |
| **Output (Volume):** | | | | |
| Complaints Resolved | | 420 | | 420 |
| Individual Licensees Inspected | | 56,250 | | 56,250 |
| Establishments Inspected | | 19,500 | | 19,500 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 40 | | 40 |
| **A.3.1. Strategy:** PUBLIC INFORMATION<br>To distribute information to the general public and the cosmetology community. | $ | 427,939 | $ | 423,034 |
| **Output (Volume):** | | | | |
| Number of Information Packets Distributed to Individuals and Establishments | | 50,000 | | 50,000 |

## COSMETOLOGY COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Total, Goal A:** LICENSING & ENFORCEMENT | $ | 2,173,700 | $ | 2,159,766 |
| **Grand Total,** COSMETOLOGY COMMISSION | $ | 2,173,700 | $ | 2,159,766 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,858,700 | $ | 1,844,766 |
| Appropriated Receipts | | 315,000 | | 315,000 |
| **Total, Method of Financing** | $ | 2,173,700 | $ | 2,159,766 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 783,566 | $ | 792,756 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 38.5 | | 38.5 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $46,338 | | $46,338 |
| Per Diem of Commissioners | | 4,000 | | 4,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,357,753 | $ | 1,357,753 |
| Other Personnel Costs | | 58,294 | | 61,754 |
| Operating Costs | | 757,653 | | 740,259 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,173,700 | $ | 2,159,766 |

1. **Enforcement.** None of the funds appropriated above shall be expended unless an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2004–05 biennium. A copy of the signed crossover enforcement contract shall be sent to the Legislative Budget Board, the Governor and the Comptroller of Public Accounts.

2. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall not be less than:

   a. License and Renewal Fees:

      (1) Individual Licenses $53.00
      (2) Instructor Licenses $70.00
      (3) Salon Licenses $65.00
      (4) Independent Contractor $65.00

   b. Duplicate License Fees:

      (1) All Licenses $53.00

3. **Limitation on Travel Expenditures.** Reimbursements for travel expenditures of the Director of Enforcement shall be limited to $5,000 per year and may only be expended for inspections and investigations.

4. **Cosmetology School Inspections.** Cosmetology schools, with the exception of schools in districts without a designated inspector, shall be inspected by an inspector assigned to that district. Schools located in districts without a designated inspector may be inspected by the Director of Enforcement.

## COSMETOLOGY COMMISSION
(Continued)

5. **Limitation on Out-of-State Travel.** None of the funds appropriated above may be used for expenditures or reimbursements of expenditures for out-of-state travel, except for the Executive Director and no more than one commission member per trip.

6. **Overnight Travel.** It is the intent of the Legislature that the Cosmetology Commission shall maintain written overnight travel policies and procedures.

## CREDIT UNION DEPARTMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** EFFECTIVE SUPERVISION & REGULATION<br>To effectively supervise and regulate state-chartered credit unions through enforcement of safety and soundness standards and compliance with the Texas Finance Code, and in a manner that balances the interest of the membership and the need for public confidence in the credit union system. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Credit Unions Receiving Regular Examinations Annually | 95% | 95% |
| Percentage of Safe and Sound Credit Unions | 90% | 90% |
| Percentage of Complete Charter and Bylaw Applications Approved or Denied within 60 Days | 93% | 93% |
| **A.1.1. Strategy:** EXAMINE CREDIT UNIONS<br>Examine and monitor state-chartered credit unions for safe and sound operations and compliance with all applicable state and federal laws, rules and regulations based on a schedule determined by the credit unions' perceived risk, in the most efficient and effective manner possible. | $ 1,476,654 | $ 1,515,494 |
| **Output (Volume):** | | |
| Number of Examinations Performed | 226 | 224 |
| **Efficiencies:** | | |
| Average Cost Per Regular Examination | 7,089 | 7,831 |
| **Explanatory:** | | |
| Number of State-chartered Credit Unions | 250 | 250 |
| Percentage of Credit Unions Providing Services to Low Income or Underserved Populations | 5.2% | 5.2% |
| **A.2.1. Strategy:** PROCESS APPLICATIONS<br>Process, investigate and evaluate applications for amendments to bylaws and articles of incorporation, new charters, mergers/consolidations; submit requests for hearings on contested decisions to the State Office of Administrative Hearings; and follow state laws and rules regarding notification of applications received and final actions taken. | $ 99,361 | $ 103,202 |
| **Output (Volume):** | | |
| Number of Applications Processed | 160 | 160 |
| **Total, Goal A:** EFFECTIVE SUPERVISION & REGULATION | $ 1,576,015 | $ 1,618,696 |

**B. Goal:** ENSURE SAFETY AND SOUNDNESS
Through interaction with the Credit Union Commission and the Legislature, recommend statutory and rule changes to ensure that

| | | | | |
|---|---|---|---|---|
| credit unions operate in a safe and sound manner in a competitive and ever changing financial services industry. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Rule Changes Provided to Credit Unions within 60 Days after Adoption | | 100% | | 100% |
| **B.1.1. Strategy:** DEPARTMENTAL OVERSIGHT<br>Provide oversight of departmental operations. | $ | 79,578 | $ | 84,522 |
| **Grand Total,** CREDIT UNION DEPARTMENT | $ | 1,655,593 | $ | 1,703,218 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 347,968 | $ | 359,165 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 26.0 | | 26.0 |
| **Number of FTEs in Riders:** | | 3.0 | | 5.0 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 3 | | $95,000 | | $95,000 |
| Per Diem of Commission Members | | 540 | | 540 |
| **Supplemental Appropriations Made in Riders:** | $ | 120,000 | $ | 192,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,458,287 | $ | 1,578,373 |
| Other Personnel Costs | | 12,060 | | 12,060 |
| Professional Fees and Services | | 8,200 | | 8,200 |
| Consumable Supplies | | 7,000 | | 7,000 |
| Utilities | | 18,549 | | 18,550 |
| Travel | | 212,795 | | 212,796 |
| Rent - Machine and Other | | 6,100 | | 6,175 |
| Other Operating Expense | | 52,602 | | 52,064 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,775,593 | $ | 1,895,218 |

1. **Appropriation: Supervisions and Conservatorships.** Funds received by the Credit Union Department pursuant to supervision or conservatorship proceedings, as authorized by the Texas Finance Code § 126.101, are hereby appropriated for costs related to such proceedings, including the salary and per diem of the appointed supervisor or conservator.

2. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the Legislative Advisory Committee.

3. **Appropriation: Educational and Examination Receipts.** Funds received by the Credit Union Department to support staff attendance at graduate schools of banking, seminars, conferences, or other training or education activity considered by the Commissioner to be of benefit to the department are hereby appropriated to the department for such purposes. The Credit Union Department is also authorized to accept funds for reimbursement from the National Credit Union Share Insurance Fund, or any other insurer, for costs incidental or necessary to examination and supervision of credit unions.

4. **Contingency Appropriation: Regulatory Response.**

   a. Contingent upon a finding of fact by the Credit Union Commission that either:

(1) the size of the state-chartered credit union industry under the jurisdiction of the Credit Union Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

(2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of credit unions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

(3) a reduction of federal regulatory resources applied to the Texas state-chartered credit union industry by the National Credit Union Administration has occurred to the extent that additional appropriations are deemed necessary to adequate regulation of the industry;

the following amounts, or any part thereof as found to be necessary by the Credit Union Commission, are hereby appropriated to the Credit Union Department out of the General Revenue Fund in an amount not to exceed $120,000 for fiscal year 2004 and an amount not to exceed $192,000 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 3 for fiscal year 2004 and 5 for fiscal year 2005.

b. None of the funds appropriated pursuant to this provision may be expended by the Credit Union Department unless:

(1) the Credit Union Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and,

(2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

(3) the appropriations in item 4(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $1,834,364 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2004 and fiscal year 2005.

## TEXAS STATE BOARD OF DENTAL EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** QUALITY DENTAL CARE | | |
| To ensure quality dental care for the people of Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resulting in Disciplinary Action | 15.37% | 15.37% |

## TEXAS STATE BOARD OF DENTAL EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| Percent of Licensees with No Recent Violations: Dentist | | 99.4% | | 99.4% |
| Percent of Licensees Who Renew Online | | 12% | | 17% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **A.1.1. Strategy:** COMPLAINT RESOLUTION | $ | 1,008,105 | $ | 887,485 |
| Conduct enforcement and compliance functions including: investigating all complaints; prosecuting those complaints through informal or formal disciplinary means; pursuing compliance with disciplinary actions and conditions; and, interacting with the public and profession on matters of law and rules. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 603 | | 603 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 275 | | 275 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received | | 793 | | 793 |
| **A.1.2. Strategy:** PEER ASSISTANCE PROGRAM | $ | 123,659 | $ | 123,659 |
| Operate a Peer Assistance Program. | | | | |
| **Output (Volume):** | | | | |
| Number of Licensed Individuals Participating in a Peer Assistance Program | | 64 | | 64 |
| **A.2.1. Strategy:** LICENSURE & REGISTRATION | $ | 421,321 | $ | 421,321 |
| Conduct a timely and cost effective licensing and registration process for dentists, dental hygienists, dental assistants, and dental laboratories including a comprehensive and efficient system of administering and evaluating dental, dental hygiene, auxiliary examinations, certifications, and permits. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals: Dentists | | 420 | | 420 |
| Number of Licenses Renewed (Individuals): Dentists | | 11,479 | | 11,479 |
| Number of New Licenses Issued to Individuals: Dental Hygienists | | 461 | | 461 |
| Number of Licenses Renewed (Individuals): Dental Hygienists | | 8,334 | | 8,334 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued: Dentist | | 4.65 | | 4.65 |
| Average Licensing Cost Per Facility License Issued | | 7.99 | | 7.99 |
| Average Licensing Cost Per Individual License Issued: Dental Hygienist | | 3.35 | | 3.35 |
| **Explanatory:** | | | | |
| Total Number of Business Facilities Licensed | | 1,078 | | 1,078 |
| **Total, Goal A:** QUALITY DENTAL CARE | $ | 1,553,085 | $ | 1,432,465 |
| **Grand Total,** TEXAS STATE BOARD OF DENTAL EXAMINERS | $ | 1,553,085 | $ | 1,432,465 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 453,701 | $ | 459,466 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 26.0 | | 26.0 |
| **Number of FTEs in Riders:** | | 5.0 | | 5.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $63,000 | | $63,000 |
| Per Diem of Board Members | | 21,840 | | 21,840 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,082,460 | $ | 1,082,460 |

## TEXAS STATE BOARD OF DENTAL EXAMINERS
(Continued)

| | | |
|---|---|---|
| Other Personnel Costs | 11,000 | 11,000 |
| Operating Costs | 62,822 | 54,646 |
| Professional Fees and Services | 319,179 | 213,659 |
| Travel | 70,700 | 70,700 |
| Capital Expenditures | 6,924 | 0 |
| **Total, Object-of-Expense Informational Listing** | $ 1,553,085 | $ 1,432,465 |

1. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:

   a. Dental Hygiene Advisory Committee
   b. Dental Laboratory Certification Council

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas State Board of Dental Examiners are made contingent on the continuation of the Texas State Board of Dental Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

3. **Contingent Revenue.** Of the amounts appropriated above to the Texas State Board of Dental Examiners in A.1.1, Strategy: Complaint Resolution, the amount of $328,245 in fiscal year 2004 and $207,625 in fiscal year 2005 is contingent upon the Texas State Board of Dental Examiners assessing fees sufficient to generate, during the 2004-05 biennium, $328,245 in excess of $2,018,000 (Object Code 3562) in fiscal year 2004 and $207,625 in excess of $2,077,000 (Object Code 3562) in fiscal year 2005, contained in the Comptroller of Public Accounts' Biennial Revenue Estimate. Also contingent upon the Texas State Board of Dental Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 5 in each fiscal year. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Dental Examiners' minutes and other information supporting the estimated revenues to be generated for the 2004-05 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

## BOARD OF PROFESSIONAL ENGINEERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMPETENT LICENSEES<br>Provide a licensing system to assure that professional engineering in Texas is practiced only by qualified and competent Texas licensees. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Percent of Licensees Who Renew Online | 15% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |

## BOARD OF PROFESSIONAL ENGINEERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.1. Strategy:** REGISTRATION & EVALUATION | $ | 430,767 | $ | 430,767 |
| Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 1,400 | | 1,400 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued | | 25 | | 25 |
| **A.1.2. Strategy:** EXAMINATIONS | $ | 282,223 | $ | 282,223 |
| Purchase, grade, and administer the engineering examinations provided by the National Council of Examiners for Engineering and Surveying (NCEES) required for registration (estimated and nontransferable). | | | | |
| **A.1.3. Strategy:** REGISTRY SERVICES | $ | 518,772 | $ | 518,772 |
| Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency. | | | | |
| **Output (Volume):** | | | | |
| Number of Licenses Renewed (Individuals) | | 47,800 | | 47,800 |
| Number of Firms Registered | | 5,800 | | 5,800 |
| **Total, Goal A:** COMPETENT LICENSEES | $ | 1,231,762 | $ | 1,231,762 |
| **B. Goal:** ENFORCE ENGINEERING ACT | | | | |
| To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action | | 32% | | 32% |
| **B.1.1. Strategy:** ENFORCEMENT | $ | 370,838 | $ | 370,838 |
| Investigate and reach final resolution of reported violations. | | | | |
| **Output (Volume):** | | | | |
| Complaints Resolved | | 380 | | 380 |
| **Efficiencies:** | | | | |
| Average Cost Per Complaint Investigation | | 495 | | 495 |
| **Grand Total,** BOARD OF PROFESSIONAL ENGINEERS | $ | 1,602,600 | $ | 1,602,600 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,593,900 | $ | 1,593,900 |
| Appropriated Receipts | | 8,700 | | 8,700 |
| **Total, Method of Financing** | $ | 1,602,600 | $ | 1,602,600 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 261,163 | $ | 266,896 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 25.0 | | 25.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $75,000 | | $75,000 |
| Per Diem of Board Members | | 6,500 | | 6,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,035,457 | $ | 1,035,457 |
| Other Personnel Costs | | 19,920 | | 19,920 |
| Operating Costs | | 547,223 | | 547,223 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,602,600 | $ | 1,602,600 |

## BOARD OF PROFESSIONAL ENGINEERS
(Continued)

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Professional Engineers are made contingent on the continuation of the Board of Professional Engineers by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

2. **Contingency for the Self-directed Semi-independent Agency Project Act.** Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernon's Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the appropriations for the Board of Professional Engineers shall not take effect.

## DEPARTMENT OF BANKING

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EFFECTIVE REGULATION<br>To ensure timely, fair, and effective supervision and regulation of the financial institutions and other licensees under our jurisdiction in order to promote a stable banking and financial services environment and provide the public with convenient, safe and competitive financial services. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Banks Receiving Examinations When Due | 96% | 97% |
| Percentage of Currency Exchange Licensees Examined by Special Audit When Due | 95% | 95% |
| Percentage of Bank and Trust, Sale of Check, Currency Exchange, and Private Child Support Enforcement Agency Registration and Renewal Applications Completed within the Statutory Time Period | 90% | 90% |
| **A.1.1. Strategy:** BANK EXAMINATION<br>Conduct commercial bank, trust company, foreign bank agency, and foreign representative office examinations, in cooperation with federal regulatory entities, in conformance with the examination priority schedule. Maintain national accreditation. Maintain contact with, and monitor the condition of, regulated entities between examinations. Optimize efficiencies in the examination process, including automating examination procedures and reference materials. Research and report on new regulatory responses to changing industry and economic conditions. Provide the industry with electronic access to regulatory and supervisory information through the website. | $ 7,256,958 | $ 7,224,330 |
| **Output (Volume):** | | |
| Number of Bank and Foreign Bank Examinations Performed | 135 | 135 |
| Number of Trust Company, Trust Department, and Electronic Data Processing Examinations or Certifications and Other Specialized Reviews Performed | 145 | 145 |
| **Explanatory:** | | |
| Percentage of State-chartered Bank Assets in Banks Classified Safe and Sound | 97% | 97% |
| **A.2.1. Strategy:** NON-BANK EXAMINATION<br>Perform examinations based on examination priorities in coordination with state and | $ 1,336,994 | $ 1,325,732 |

| | | | | |
|---|---|---|---|---|
| federal regulatory and law enforcement agencies; monitor examination schedules and results to ensure exams are being performed within examination priority parameters; and coordinate with Legal Division to issue appropriate enforcement actions. | | | | |
| **Output (Volume):** | | | | |
| Number of Special Audit Licensees Examined | | 683 | | 687 |
| **A.3.1. Strategy:** APPLICATION PROCESSING | $ | 408,915 | $ | 408,330 |
| Enhance current systems through the automation of applications and request processing by the efficient utilization of computer and other technologies. Develop a Bank and Trust Applications Filing and Procedures Guide. Process applications and information. | | | | |
| **Output (Volume):** | | | | |
| Number of Bank and Trust Applications, Notices, Filings and Currency Exchange, Sale of Check New Licensee and Private Child Support Enforcement Agency (PCSEA) Registration and Renewal Applications Completed | | 319 | | 327 |
| **Total, Goal A:** EFFECTIVE REGULATION | $ | 9,002,867 | $ | 8,958,392 |
| **B. Goal:** FINANCE COMMISSION OVERSIGHT | | | | |
| To insure that financial institutions regulated by the state operate in a safe and sound manner and comply with all applicable laws, and to conduct research on the financial industry. | | | | |
| **B.1.1. Strategy:** REGULATORY SUPPORT | $ | 120,126 | $ | 120,126 |
| Support regulatory operations for agencies under the Finance Commission and conduct research on the financial industry. | | | | |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 2,224,013 | $ | 2,213,171 |
| **Grand Total,** DEPARTMENT OF BANKING | $ | 11,347,006 | $ | 11,291,689 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 11,282,901 | $ | 11,227,584 |
| Federal Funds | | 58,005 | | 58,005 |
| Appropriated Receipts | | 6,100 | | 6,100 |
| **Total, Method of Financing** | $ | 11,347,006 | $ | 11,291,689 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 2,200,420 | $ | 2,230,998 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 159.0 | | 159.0 |
| **Number of FTEs in Riders:** | | 56.5 | | 56.5 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 5 | | $118,427 | | $118,427 |
| **Supplemental Appropriations Made in Riders:** | $ | 5,555,432 | $ | 5,555,432 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 13,092,793 | $ | 13,112,475 |
| Other Personnel Costs | | 217,924 | | 217,924 |
| Operating Costs | | 5,000 | | 5,000 |
| Professional Fees and Services | | 208,854 | | 208,854 |
| Fuels and Lubricants | | 64,409 | | 64,409 |
| Consumable Supplies | | 117,024 | | 117,026 |
| Utilities | | 923,761 | | 923,761 |

| | | | | |
|---|---|---|---|---|
| Travel | | 934,665 | | 934,666 |
| Rent - Building | | 146,058 | | 146,058 |
| Rent - Machine and Other | | 36,793 | | 36,793 |
| Other Operating Expense | | 780,657 | | 780,656 |
| Capital Expenditures | | 374,500 | | 299,499 |
| **Total, Object-of-Expense Informational Listing** | $ | 16,902,438 | $ | 16,847,121 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Purchase of Information Technologies | $ | 175,000 | $ | 100,000 |
| Total, Capital Budget | $ | 175,000 | $ | 100,000 |

2. **Appropriation of Receipts.** Funds received by the Department of Banking pursuant to supervision or conservatorship proceedings as authorized under Texas Finance Code, § 35.101-35.113 are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisor or conservator (estimated to be $5,000 each year).

3. **Contingency Appropriation: State Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that the number of exams required for the state-chartered commercial banking industry under the jurisdiction of the Department of Banking, determined either as a function of assets, number of institutions, or relative proportion of problem banks or problem bank assets in the state system, inclreases to a point where additional appropriations are required to maintain adequate regulatiion of the industry, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $1,673,243 for fiscal year 2004 and $1,673,243 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 21.5 for fiscal year 2004 and 21.5 for fiscal year 2005.

   b. Contingent upon a reduction of federal regulatory resources applied to the Texas state-chartered commercial banking industry, determined as a function of assets, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $2,677,189 for fiscal year 2004 and $2,677,189 for fiscal year 2005 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 35 for fiscal year 2004 and 35 for fiscal year 2005.

c. Contingent upon an inability to maintain adequate supervision of the industry and an inability to meet its examination frequency performance measures by the Department of Banking due to reductions in the quality or quantity of its examination staff, resulting either from examiner turnover or an inability to recruit adequately qualified examiners because salary levels, The Department of Banking is hereby appropriated out of fee revenues collected by the Department an amount not to exceed $1,200,000 for fiscal year 2004 and $1,200,000 for fiscal year 2005.

d. None of the funds appropriated in items 3(a) or 3(b) above may be expended by the Department of Banking unless the Finance Commission files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

e. The appropriations in items 3(a) and 3(b) are also contingent upon the Department of Banking generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues much exceed $10,557,722 for fiscal year 2004 and $10,509,905 for fiscal year 2005 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

4. **Federal Per Diem Authorized.** Financial examiners employed by the Department of Banking when (1) traveling on official state business relating to the examination function and (2) participating in either a joint or a concurrent examination with the primary federal regulator may be authorized reimbursement for travel expenses, including mileage, at a rate equal to the primary federal regulator.

4. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

## OFFICE OF CONSUMER CREDIT COMMISSIONER

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** EFFECTIVE ENFORCEMENT<br>To ensure prompt, fair, and effective enforcement of appropriate state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Written Complaints Resolved within 90 Calendar Days | 95% | 95% |
| **A.1.1. Strategy:** COMPLAINT RESOLUTION<br>Resolve consumer complaints expeditiously and identify problem creditors and industry | $ 182,555 | $ 182,483 |

| | | | | |
|---|---|---|---|---|
| practices, and advise creditors and industry through information bulletins as a preventive measure. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Closed | | 2,750 | | 2,750 |
| Number of Field Investigations Initiated | | 80 | | 80 |
| **B. Goal:** CONSUMER PROTECTION | | | | |
| To provide a quality program of consumer protection and licensure that ensures high standards for licensed credit providers and efficiently serves the market demand for fair but competitive consumer credit. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Examinations Reporting Acceptable Level of Compliance | | 95% | | 95% |
| Monies Returned to Consumers from Licensed Lenders | | 360,000 | | 360,000 |
| Percent of New Licensees Undergoing Background Checks When Required | | 100% | | 100% |
| **B.1.1. Strategy:** EXAMINATION AND ENFORCEMENT | $ | 2,041,399 | $ | 2,041,183 |
| Examine regulated lenders and pawnshops to determine the level of compliance with appropriate statutes and regulations and initiate administrative enforcement action against licensees who commit serious violations. | | | | |
| **Output (Volume):** | | | | |
| Number of Compliance Examinations Performed | | 4,775 | | 4,775 |
| **B.2.1. Strategy:** LICENSING INVESTIGATION | $ | 702,239 | $ | 702,067 |
| Investigate and process applications for regulated loan, pawnshop, and pawnshop employee licenses. Continue efforts to identify unregistered creditors and achieve compliance with registration requirements. | | | | |
| **Output (Volume):** | | | | |
| Number of Business Applications Processed | | 4,000 | | 2,500 |
| Number of Employee License Applications Processed | | 2,100 | | 2,100 |
| **Total, Goal B:** CONSUMER PROTECTION | $ | 2,743,638 | $ | 2,743,250 |
| **C. Goal:** CREDIT EDUCATION | | | | |
| To educate consumers and credit providers about their rights, remedies and responsibilities, and to encourage communication and cooperation between the credit industry, the consumer public, and the agency. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Texans Reached through Public Service Announcements, Press Releases, and Distribution of Pamphlets | | 12% | | 12% |
| **C.1.1. Strategy:** CONSUMER EDUCATION | $ | 226,681 | $ | 226,681 |
| Continue establishment of a formal education program to include public service announcements, press releases, and general information brochures made available through credit grantors and trade organizations. | | | | |
| **Output (Volume):** | | | | |
| Number of Consumers Receiving In-person Services | | 36,000 | | 36,000 |

## OFFICE OF CONSUMER CREDIT COMMISSIONER
(Continued)

| | | | | |
|---|---|---|---|---|
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 275,409 | $ | 275,869 |
| **Grand Total,** OFFICE OF CONSUMER CREDIT COMMISSIONER | $ | 3,428,283 | $ | 3,428,283 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 614,650 | $ | 625,550 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 52.0 | | 52.0 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 3 | | $90,000 | | $90,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,026,639 | $ | 2,026,639 |
| Other Personnel Costs | | 82,625 | | 82,625 |
| Professional Fees and Services | | 307,000 | | 307,000 |
| Consumable Supplies | | 39,000 | | 39,000 |
| Utilities | | 107,000 | | 107,000 |
| Travel | | 502,214 | | 502,214 |
| Rent - Machine and Other | | 9,600 | | 9,600 |
| Other Operating Expense | | 299,121 | | 299,121 |
| Capital Expenditures | | 55,084 | | 55,084 |
| **Total, Object-of-Expense Informational Listing** | $ | 3,428,283 | $ | 3,428,283 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of Information Resources Technologies - Replacement Schedule | $ | 45,000 | $ | 45,000 |
| Total, Capital Budget | $ | 45,000 | $ | 45,000 |

2. **Appropriation: Criminal Record Check Receipts.** Funds appropriated above in Strategy B.2.1, Licensing Investigation, include receipts collected pursuant to Texas Finance Code § 14.151. Contingent upon certification by the Office of Consumer Credit Commissioner and verification by the Comptroller, all fees collected in excess of $127,000 each year of the biennium are hereby appropriated to the Office of the Consumer Credit Commissioner. These funds shall be used for the sole purpose of acquiring criminal record checks from the Department of Public Safety, Federal Bureau of Investigation, or other law enforcement agency.

3. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

4. **High-cost Lending.** Out of the funds appropriated above, the Office of Consumer Credit Commissioner shall:

   a. compile and provide information regarding high-cost lending in the state, as required by Section 11.305, Finance Code, and

   b. work with the Department of Information Resources to make the information available through the TexasOnline government portal, created pursuant to Subchapter I, Chapter 2054, Government Code, or any successor to that portal.

## SAVINGS AND LOAN DEPARTMENT

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** THRIFT SAFETY AND SOUNDNESS<br>To aggressively enforce safety and soundness standards in the state chartered thrift industry and compliance with the Texas Finance Code in a manner that is constructive and maintains the interest of depositors, creditors, and borrowers of savings institutions as paramount. | | |
| **Outcome (Results/Impact):** | | |
| Percent of State-chartered S&Ls and Savings Banks Receiving Examinations as Required by Priority Schedule | 100% | 100% |
| Percentage of Applications Receiving Final Action within Statutory Time Frames | 100% | 100% |
| **A.1.1. Strategy:** THRIFT EXAMINATION AND SUPERVISION<br>Perform full and limited scope examinations and participate with federal regulators in examinations according to the Priority Examination schedule; monitor and enforce the safe and sound operations of state chartered savings banks and S&Ls and their compliance with applicable laws and regulations. | $ 958,114 | $ 966,213 |
| **Output (Volume):** | | |
| Number of Examinations Performed | 26 | 26 |
| **Explanatory:** | | |
| Number of State-chartered Savings and Loans and Savings Banks | 26 | 27 |
| Dollar Amount of Assets under Regulation (in Billions) | 14.8 | 15 |
| **A.2.1. Strategy:** APPLICATION PROCESSING<br>Process, investigate and evaluate applications for new charters, new branch offices, mergers, acquisitions, and subsidiary investments, including scheduling of hearings, maintaining thrift institution corporate records and application submission and approval logs as required. | $ 45,359 | $ 45,933 |

## SAVINGS AND LOAN DEPARTMENT
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Applications Processed | | 18 | | 18 |
| **Total, Goal A:** THRIFT SAFETY AND SOUNDNESS | $ | 1,003,473 | $ | 1,012,146 |
| **B. Goal:** MORTGAGE BROKER REGULATION | | | | |
| To ensure timely and effective license issuance and renewal for eligible mortgage brokers and loan officers; to oversee and enforce appropriate standards, laws and regulations for licenses. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees Who Renew Online | | 71% | | 76% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **B.1.1. Strategy:** MORTGAGE BROKER LICENSING/REG | $ | 1,436,165 | $ | 1,424,054 |
| Process, investigate and evaluate mortgage broker and loan officer license applications; establish continuing education course standards; enforce compliance with standards of conduct. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 4,430 | | 4,270 |
| **C. Goal:** CONSUMER RESPONSIVENESS | | | | |
| To ensure responsiveness to inquiries, requests and complaints from the industry, citizens, public officials, and other state and federal governmental entities. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Complaints, Requests and Inquiries Answered within Ten Business Days | | 100% | | 100% |
| **C.1.1. Strategy:** COMPLAINT AND INQUIRY PROCESS | $ | 273,176 | $ | 274,271 |
| Provide a forum for registering complaints, responding to requests and inquiries and taking appropriate action when warranted. Respond appropriately to requests or inquiries to obtain information regarding financial institutions and mortgage broker licensees giving particular priority to requests from state and federal agencies conducting civil and criminal investigations. | | | | |
| **Output (Volume):** | | | | |
| Number of Consumer Complaints Completed | | 1,400 | | 2,300 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 215,842 | $ | 218,185 |
| **Grand Total,** SAVINGS AND LOAN DEPARTMENT | $ | 2,928,656 | $ | 2,928,656 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 584,634 | $ | 594,841 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 50.0 | | 50.0 |
| **Number of FTEs in Riders:** | | 37.0 | | 40.0 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 3 | | $92,676 | | $92,676 |
| **Supplemental Appropriations Made in Riders:** | $ | 2,377,500 | $ | 2,604,100 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,920,788 | $ | 4,097,536 |
| Other Personnel Costs | | 12,060 | | 14,820 |

## SAVINGS AND LOAN DEPARTMENT
(Continued)

| | | |
|---|---|---|
| Operating Costs | 223,800 | 223,800 |
| Professional Fees and Services | 77,343 | 64,398 |
| Consumable Supplies | 29,889 | 29,889 |
| Utilities | 44,519 | 46,375 |
| Travel | 354,288 | 373,944 |
| Rent - Building | 3,514 | 3,714 |
| Rent - Machine and Other | 5,063 | 5,063 |
| Other Operating Expense | 634,892 | 668,217 |
| Capital Expenditures | 0 | 5,000 |
| **Total, Object-of-Expense Informational Listing** | $ 5,306,156 | $ 5,532,756 |

1. **Appropriation of Receipts.** Funds received by the Savings and Loan Department pursuant to supervision and conservatorship proceedings authorized by Subchapter B, Texas Finance Code and Subchapter C, Texas Finance Code, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisory agent.

2. **Federal Per Diem Authorized.** Financial Institutions Examiners employed by the Savings and Loan Department, when (1) traveling on official state business related to the examining function of the Savings and Loan Department and (2) participating in either a joint or concurrent examination with the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or their successors, shall be authorized reimbursement for travel expenses at a rate of per diem equal to that of the participating federal regulatory agency.

3. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

4. **Contingency Appropriation: Thrift Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that:

      (1) the size of the state-chartered thrift industry under the jurisdiction of the Savings and Loan Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of thrift institutions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (3) a reduction of federal regulatory resources applied to the Texas state-chartered thrift industry by the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, Federal Reserve Board, or their successors, has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; then

   the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Savings and Loan Department out of fee revenues collected by the Department: an amount not to exceed $512,500 for fiscal year 2004 and an amount not to exceed $739,100 for fiscal year 2005 and the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than seven for fiscal year 2004 and 10 for fiscal year 2005.

b. None of the funds appropriated pursuant to this provision may be expended by the Savings and Loan Department unless:

(1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and

(2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

(3) The appropriations in subsection (a) above are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $1,050,000 for fiscal year 2004 and $1,050,000 for fiscal year 2005 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

5. **Contingency Appropriation: Mortgage Broker Regulatory Response.**

a. Contingent upon a finding of fact by the Finance Commission that either:

(1) the size of the mortgage broker industry under the jurisdiction of the Savings and Loan Department, determined as a function of the number of licensees, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

(2) increased incidents of regulatory and supervisory concern regarding compliance with applicable statutes and regulations by mortgage broker licensees under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; then

the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Savings and Loan Department out of fee revenues collected by the Department: an amount not to exceed $1,865,000 for fiscal year 2004 and an amount not to exceed $1,865,000 for fiscal year 2005 and the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 30 for fiscal year 2004 and 30 for fiscal year 2005.

b. None of the funds appropriated pursuant to this provision may be expended by the Savings and Loan Department unless:

(1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and

(2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

(3) The appropriations in subsection (a) above are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $1,200,000 for fiscal year 2004 and $1,004,000 for fiscal year 2005 (Object Code 3175) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

## FUNERAL SERVICE COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMPETENT LICENSEES | | |
| To manage a program of examination and licensure that ensures the development of competent funeral professionals with high standards of professional and ethical conduct. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Percent of Applications and Renewals Processed within Three Working Days | 75% | 75% |
| Percent of Licensees Who Renew Online | 13.3% | 18.3% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** LICENSING REQUIREMENTS | $ 285,093 | $ 285,093 |
| Issue and renew licenses, manage a provisional licensing program and monitor continuing education requirements. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 329 | 329 |
| Number of Individual Licenses Renewed | 2,300 | 2,300 |
| Number of New Licenses Issued to Facilities | 100 | 100 |
| Number of Facility Licenses Renewed | 1,196 | 1,196 |
| Number of Individuals Examined | 286 | 286 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 31.54 | 31.54 |
| Average Licensing Cost Per Facility License Issued | 35 | 35 |
| Average Cost Per Exam Administered | 77.17 | 77.17 |
| **Explanatory:** | | |
| Total Number of Individuals Licensed | 4,463 | 4,463 |
| Total Number of Facilities Licensed | 1,292 | 1,292 |
| **B. Goal:** ENFORCE STANDARDS | | |
| To aggressively and effectively provide enforcement and protect the public from incompetent services and unethical conduct. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resolved within Six Months | 55% | 55% |
| Percent of Complaints Resulting in Disciplinary Action | 39% | 39% |
| **B.1.1. Strategy:** INSPECTIONS | $ 283,990 | $ 283,990 |
| To provide enforcement through a vigorous program of inspections and investigations. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 314 | 314 |
| Number of Establishments Inspected | 900 | 900 |
| Number of Complaints Pending | 85 | 85 |
| **Efficiencies:** | | |
| Average Time for Complaint Resolution (Days) | 184.13 | 184.13 |
| Average Cost Per Complaint Resolved | 349.87 | 349.87 |
| **Explanatory:** | | |
| Number of Jurisdictional Complaints Received | 419 | 419 |
| **B.2.1. Strategy:** RULE COMPLIANCE | $ 96,596 | $ 96,596 |
| Review investigated complaints and recommend disciplinary or other action. | | |
| **Output (Volume):** | | |
| Number of Licenses Revoked or Suspended (Individuals) | 0 | 0 |
| Number of Licenses Revoked or Suspended (Establishments) | 0 | 0 |
| **Total, Goal B:** ENFORCE STANDARDS | $ 380,586 | $ 380,586 |
| **Grand Total,** FUNERAL SERVICE COMMISSION | $ 665,679 | $ 665,679 |

## FUNERAL SERVICE COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 660,679 | $ | 660,679 |
| Appropriated Receipts | | 5,000 | | 5,000 |
| **Total, Method of Financing** | $ | 665,679 | $ | 665,679 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 141,154 | $ | 144,177 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 12.0 | | 12.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $43,680 | | $43,680 |
| Per Diem of Board Members | | 3,850 | | 3,850 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 411,945 | $ | 411,945 |
| Other Personnel Costs | | 27,612 | | 27,612 |
| Operating Costs | | 226,122 | | 226,122 |
| **Total, Object-of-Expense Informational Listing** | $ | 665,679 | $ | 665,679 |

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Funeral Service Commission are made contingent on the continuation of the Texas Funeral Service Commission by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## BOARD OF PROFESSIONAL GEOSCIENTISTS

| | For the Years Ending August 31, 2004 | | August 31, 2005 |
|---|---|---|---|
| **Out of the General Revenue Fund:** | | | |
| **A. Goal:** COMPETENT LICENSEES<br>Provide a licensing system to assure that professional geoscience in Texas is practiced only by qualified and competent Texas licensees. | | | |
| **Outcome (Results/Impact):** | | | |
| Percent of Licensees with No Recent Violations | 100% | | 99% |
| **A.1.1. Strategy:** REGISTRATION & EVALUATION<br>Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified. | $ | 209,651 | $ 187,764 |
| **Output (Volume):** | | | |
| Number of New Licenses Issued to Individuals | 3,400 | | 3,400 |
| **Efficiencies:** | | | |
| Average Licensing Cost Per Individual License Issued | 88 | | 73 |
| Percentage of New Individual Licenses Issued within 10 Days | 25% | | 30% |
| Percentage of Individual License Renewals Issued within 7 Days | 65% | | 75% |
| **Explanatory:** | | | |

## BOARD OF PROFESSIONAL GEOSCIENTISTS
(Continued)

| | | | | |
|---|---|---|---|---|
| Total Number of Individuals Licensed | | 5,000 | | 5,000 |
| **A.1.2. Strategy:** REGISTRY SERVICES | $ | 70,971 | $ | 62,616 |
| Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency. | | | | |
| **Output (Volume):** | | | | |
| Number of Licenses Renewed (Individuals) | | 1,600 | | 4,000 |
| **Explanatory:** | | | | |
| Average Time for Individual License Renewal (Days) | | 10 | | 9 |
| **Total, Goal A:** COMPETENT LICENSEES | $ | 280,622 | $ | 250,380 |
| **B. Goal:** ENFORCE GEOSCIENCE ACT | | | | |
| To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action | | 28% | | 28% |
| Percent of Documented Complaints Resolved within Six Months | | 50% | | 50% |
| **B.1.1. Strategy:** ENFORCEMENT | $ | 193,082 | $ | 173,823 |
| Investigate and reach final resolution of reported violations. | | | | |
| **Output (Volume):** | | | | |
| Complaints Resolved | | 10 | | 45 |
| Number of Enforcement Cases and Inquiries Resolved | | 10 | | 45 |
| Number of Compliance Orders Issued | | 3 | | 15 |
| Number of Disciplinary Actions Taken | | 3 | | 15 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 220 | | 220 |
| Average Cost Per Complaint Investigation | | 350 | | 350 |
| **Explanatory:** | | | | |
| Jurisdictional Complaints Received | | 10 | | 45 |
| **Grand Total,** BOARD OF PROFESSIONAL GEOSCIENTISTS | $ | 473,704 | $ | 424,203 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 5.0 | | 5.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $50,000 | | $50,000 |
| Per Diem of Board Members | | 540 | | 540 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 196,804 | $ | 202,076 |
| Professional Fees and Services | | 55,000 | | 55,000 |
| Consumable Supplies | | 11,200 | | 11,200 |
| Travel | | 22,000 | | 22,000 |
| Rent - Building | | 24,970 | | 24,970 |
| Rent - Machine and Other | | 12,000 | | 12,000 |
| Other Operating Expense | | 102,230 | | 96,957 |
| Capital Expenditures | | 49,500 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 473,704 | $ | 424,203 |

## DEPARTMENT OF INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENCOURAGE FAIR COMPETITION | | |
| Encourage fair competition in the insurance industry. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Agent License Filings Completed within 15 Days | 95% | 95% |
| Percent of Statutory Rate and Form Filings Completed within 90 Days | 91% | 91% |
| Number of Automobiles Covered by Voluntary Policies as a Percent of Total Private Passenger Automobiles in Underserved Markets | 66% | 66% |
| Percent of Market Assistance Program Applications Eligible for Referral Resulting in the Issuance of a Residential Property Insurance Policy | 40% | 40% |
| Percent of Personal Auto and Residential Property Rate and Form Filings Completed within 60 Days | 100% | 100% |
| **A.1.1. Strategy:** PROMOTE COMPETITION | $ 12,762,287 | $ 12,761,168 |
| Collect and analyze market data, provide information to consumers and industry, and process rates, forms and other required filings. | | |
| **Output (Volume):** | | |
| Number of Inquiries Answered | 621,565 | 621,565 |
| Number of Rate Guides Distributed | 652,743 | 652,743 |
| Number of Life/Health Insurance Filings Completed | 31,149 | 31,149 |
| Number of HMO Form Filings Completed | 2,446 | 2,446 |
| **Explanatory:** | | |
| Total Number of Licensed Agents | 231,578 | 231,578 |
| Number of Licensed HMOs | 57 | 57 |
| **A.1.2. Strategy:** PROMOTE UNDERSERVED COVERAGE | $ 593,394 | $ 557,394 |
| Identify underserved markets and create incentives and implement requirements for insurers to write in underserved markets. | | |
| **Explanatory:** | | |
| Total Number of Market Assistance Program Applications Eligible for Referral | 140 | 140 |
| **A.2.1. Strategy:** INVESTIGATION/ENFORCEMENT | $ 6,219,526 | $ 6,219,800 |
| Respond promptly to complaints against insurers, agents, and other regulated entities; assist consumers in recovering valid claims; investigate apparent patterns of unlawful or questionable trade practices in the insurance industry; and bring enforcement actions as appropriate. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 38,960 | 38,960 |
| Dollar Amount Returned to Consumers through Complaint Resolution | 48,583,149 | 48,583,149 |
| Number of Contested Cases Closed | 178 | 178 |
| **Efficiencies:** | | |
| Average Response Time (in Days) to Complaints | 75 | 75 |
| **A.2.2. Strategy:** INSURER FRAUD | $ 1,149,540 | $ 1,149,590 |
| Investigate potential insurer fraud and initiate legal action when appropriate. | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Referrals of Alleged Insurer Fraud to Attorney General, District Attorney, or Other Appropriate Law Enforcement Authority | | 70 | | 70 |
| **Total, Goal A:** ENCOURAGE FAIR COMPETITION | $ | 20,724,747 | $ | 20,687,952 |
| **B. Goal:** INSURANCE INDUSTRY FINANCIAL HEALTH<br>Encourage the financial health of the insurance industry through monitoring and regulation. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Statutorily Mandated On-site Examinations Conducted During the Fiscal Year | | 100% | | 100% |
| Special Deputy Receiver Receivership Asset Recovery Expenses as a Percent of the Total Dollars Collected by Special Deputy Receivers | | 16% | | 16% |
| Average Number of Days from Company "At Risk" Identification to the Date of Solvency-related Regulatory Action | | 31 | | 31 |
| Percent of Companies Rehabilitated after Texas Department of Insurance Solvency-related Intervention | | 18% | | 18% |
| **B.1.1. Strategy:** INSURERS FINANCIAL CONDITION<br>Analyze the financial condition of insurers, identify weak companies, and rehabilitate, liquidate or take other action against financially weak companies. | $ | 13,976,678 | $ | 13,977,275 |
| **Output (Volume):** | | | | |
| Number of Entities Receiving Texas Department of Insurance Solvency-related Intervention | | 19 | | 19 |
| Number of Holding Company Transactions Reviewed | | 751 | | 751 |
| Number of Actuarial Examinations Completed | | 80 | | 80 |
| Number of On-site Examinations Conducted | | 167 | | 167 |
| **Efficiencies:** | | | | |
| Average State Cost Per Examination | | 28,246 | | 28,246 |
| **Explanatory:** | | | | |
| Dollar Amount (in Millions) of Insurance Company Insolvencies | | 14.58 | | 14.58 |
| Number of Estates Placed in Receivership | | 3 | | 3 |
| **C. Goal:** DECREASE INDUSTRY LOSS COSTS<br>Decrease insurance industry loss costs. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Commercial Property Inspections That Meet Filed Rating Schedule Requirements | | 85% | | 85% |
| Percent of Windstorm Inspections That Result in an "Approved" Status Code | | 27% | | 27% |
| **C.1.1. Strategy:** LOSS CONTROL PROGRAMS<br>Inspect insurance loss control programs offered to policy holders, and assure compliance with filed property schedules and windstorm construction codes. | $ | 3,073,428 | $ | 3,073,572 |
| **Output (Volume):** | | | | |
| Number of Windstorm Inspections Completed | | 15,715 | | 15,715 |
| Number of Inspections of Insurer Loss Control Programs Completed | | 246 | | 246 |
| Number of Commercial Property Oversight Inspections Completed | | 1,158 | | 1,158 |
| **Efficiencies:** | | | | |
| Average Cost Per Windstorm Inspection | | 50.57 | | 50.57 |

| | | | | |
|---|---|---|---|---|
| **C.1.2. Strategy:** PROVIDER/CONSUMER FRAUD<br>Investigate possible provider fraud and consumer fraud and refer violations for prosecution when appropriate. | $ | 1,077,620 | $ | 1,077,678 |
| **Output (Volume):** | | | | |
| Number of Referrals of Alleged Consumer and Provider Fraud to Attorney General, District Attorney, or Other Appropriate Law Enforcement Authority | | 155 | | 155 |
| **Total, Goal C:** DECREASE INDUSTRY LOSS COSTS | $ | 4,151,048 | $ | 4,151,250 |
| **D. Goal:** REDUCE LOSSES DUE TO FIRE<br>Reduce loss of life and property due to fire. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Referred State Fire Marshal's Office Criminal Investigations Resulting in Enforcement/Legal Action | | 86% | | 86% |
| Percent of Registrations, Licenses, and Permits Issued, after Receipt of a Completed Application, within 20 Days to Fire Alarm, Fire Extinguisher, Fire Sprinkler, and Fireworks Firms, Individuals, and Other Regulated Entities | | 99% | | 99% |
| **D.1.1. Strategy:** FIRE PROTECTION<br>Provide fire prevention and fire safety presentations, and enforce regulations related to fire safety through investigation, analysis of evidence, inspection of property, and licensing of the fire protection and fireworks industry. | $ | 4,023,337 | $ | 4,023,322 |
| **Output (Volume):** | | | | |
| Number of Fire Investigations Completed | | 678 | | 678 |
| Number of Registrations, Licenses, and Permits Issued to Fire Alarm, Fire Extinguisher, Fire Sprinkler and Fireworks Firms, Individuals, and Other Regulated Entities | | 11,250 | | 11,250 |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 4,154,874 | $ | 4,154,879 |
| **E.1.2. Strategy:** INFORMATION RESOURCES | $ | 3,875,889 | $ | 3,875,893 |
| **E.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 1,472,166 | $ | 1,472,168 |
| **Total, Goal E:** INDIRECT ADMINISTRATION | $ | 9,502,929 | $ | 9,502,940 |
| **Grand Total,** DEPARTMENT OF INSURANCE | $ | 52,378,739 | $ | 52,342,739 |

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | | | | |
| Insurance Companies Maintenance Tax and Insurance Department Fees | $ | 34,508,359 | $ | 34,483,777 |
| Subtotal, General Revenue Fund | $ | 34,508,359 | $ | 34,483,777 |
| GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036 | | 17,533,349 | | 17,521,931 |
| Other Funds | | | | |
| Appropriated Receipts | | 279,431 | | 279,431 |
| Interagency Contracts | | 57,600 | | 57,600 |
| Subtotal, Other Funds | $ | 337,031 | $ | 337,031 |

## DEPARTMENT OF INSURANCE
(Continued)

| | | | | |
|---|---|---|---|---|
| **Total, Method of Financing** | $ | 52,378,739 | $ | 52,342,739 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 18,678,375 | $ | 18,984,386 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 986.6 | | 986.6 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner of Insurance, Group 6 | | $163,800 | | $163,800 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 41,026,034 | $ | 41,026,034 |
| Other Personnel Costs | | 827,319 | | 827,319 |
| Professional Fees and Services | | 278,575 | | 278,575 |
| Fuels and Lubricants | | 78,182 | | 78,182 |
| Consumable Supplies | | 379,342 | | 379,342 |
| Utilities | | 231,293 | | 231,293 |
| Travel | | 1,536,274 | | 1,536,274 |
| Rent - Building | | 287,870 | | 287,870 |
| Rent - Machine and Other | | 139,893 | | 139,893 |
| Other Operating Expense | | 6,871,964 | | 6,787,735 |
| Capital Expenditures | | 721,993 | | 770,222 |
| **Total, Object-of-Expense Informational Listing** | $ | 52,378,739 | $ | 52,342,739 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the state of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and GR Dedicated - Texas Department of Insurance Operating Fund Account No. 36: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of Information Resource Technologies | $ | 780,604 | $ | 780,604 |
| b. Transportation Items | | | | |
| (1) Acquisition of Transportation Items | | 72,000 | | 72,000 |
| Total, Capital Budget | $ | 852,604 | $ | 852,604 |

2. **Appropriation Source, Rehabilitation of Insurance Companies.** Of the amounts appropriated above, $125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of $125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2003, for the sole purpose of the rehabilitation of other insurance companies pursuant to § 17(a) of Article 21.28A of the Texas Insurance Code (estimated to be $0).

3. **NAIC Company Database.** Funds appropriated above include $2,550,000 for the biennium from the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated for payment of domestic company fees to the National Association of Insurance Commissioners (NAIC) for use of insurance company statistical reports in the NAIC national database. Such payments are necessary under provisions of the Insurance Code, Article 1.11(b), and directly support availability of the NAIC database to the agency for monitoring financial solvency of insurance companies licensed in the State of Texas.

4. **State Support for NAIC Activities.** The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Texas Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the Commissioner voluntarily determines not to participate in the state insurance department accreditation program.

5. **Liquidation Oversight and Title Examiner Full-Time Equivalent Positions.** In addition to the full-time equivalent positions authorized above, an additional 32.5 full-time equivalent positions are authorized for each year of the 2004–05 biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.

6. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code, the Commissioner shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal during the succeeding year.

7. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Insurance is limited to the following: Windstorm Building Code Advisory Committee, HMO Solvency Surveillance Committee, Executive Committee for Market Assistance Program (MAP), Utilization Review Advisory Committee, Fire Alarm Advisory Committee, Fire Sprinkler Advisory Committee, Fire Extinguisher Advisory Committee, and Fireworks Advisory Committee.

8. **Travel Cap.** Out of the funds appropriated above, expenditures for out-of-state travel by the Texas Department of Insurance are limited to $652,773 in fiscal year 2004 and $639,064 in fiscal year 2005. Of these amounts, $525,530 in fiscal year 2004 and $511,821 in fiscal year 2005 shall be utilized solely for out-of-state travel for the purpose of financial examinations.

9. **Limit on Estimated Appropriations.** Excluding appropriations for the TexasOnline Authority, the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund–Dedicated-Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed $52,041,708 in fiscal year 2004 or $52,005,708 in fiscal year 2005.

10. **State Support for NCOIL Activities.** Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund–Dedicated for payment of state dues for the National Conference of Insurance Legislators.

11. **Appropriation: Crash Records Information System.** In addition to the funds appropriated above, the Department of Public Safety is hereby appropriated $2,000,000 in fiscal year 2004 with any unexpended balance carried forward to fiscal year 2005 from the Department of Insurance Operating Fund, No. 36 to further develop and implement the Crash Records Information System. The Department of Public Safety and Department of Insurance are authorized to enter into interagency contracts as needed to develop and implement this system.

## OFFICE OF PUBLIC INSURANCE COUNSEL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** ADVOCATE FOR INSURANCE CONSUMERS<br>To advocate positions advantageous to Texas consumers forcefully and effectively in rate hearings, rulemaking, court proceedings, and other public forums involving insurance matters. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Analyzed Rate and Rulemaking Proceedings in Which OPIC Participated | 70% | 70% |
| Savings to Consumers as a Result of Rate Hearings Participation (in Millions) | 950 | 950 |
| Percentage of Rate Filings and Rules Changed for the Benefit of Consumers as a Result of OPIC Participation | 80% | 80% |
| **A.1.1. Strategy:** PARTICIPATE IN RATE/RULE HEARINGS<br>Actively participate in industry-wide rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys. | $ 823,637 | $ 823,637 |
| **Output (Volume):** | | |
| Number of Industry-wide Rate Hearings in Which OPIC Participated | 5 | 5 |
| Number of Analyzed Rate Filings in Which OPIC Participated | 16 | 16 |
| Number of Rulemaking Proceedings in Which OPIC Participated | 24 | 24 |
| **A.2.1. Strategy:** INFORMATION AND RESEARCH<br>Provide information and research assistance to the Legislature and Executive Branch, including results of ad hoc special research or analytical projects for current issues. Participate in judicial proceedings. | $ 72,993 | $ 72,993 |

## OFFICE OF PUBLIC INSURANCE COUNSEL
(Continued)

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Judicial Proceeding (Appellate and Otherwise) in Which OPIC Participated as a Party of Record | | 1 | | 1 |
| **Total, Goal A:** ADVOCATE FOR INSURANCE CONSUMERS | $ | 896,630 | $ | 896,630 |
| **B. Goal:** INCREASE CONSUMER CHOICE | | | | |
| To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts | | 25% | | 25% |
| **B.1.1. Strategy:** INSURANCE INFORMATION | $ | 116,903 | $ | 116,903 |
| To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights. | | | | |
| **Output (Volume):** | | | | |
| Number of Newsletters and Report Cards Produced and Distributed | | 175,000 | | 175,000 |
| Number of Releases Produced and Interviews Given and Newspaper Op-ed Columns Produced | | 38 | | 38 |
| **Grand Total,** OFFICE OF PUBLIC INSURANCE COUNSEL | $ | 1,013,533 | $ | 1,013,533 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 312,420 | $ | 314,781 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 16.5 | | 16.5 |
| **Schedule of Exempt Positions:** | | | | |
| Public Counsel, Group 2 | | $82,500 | | $82,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 791,300 | $ | 791,300 |
| Other Personnel Costs | | 7,500 | | 7,500 |
| Operating Costs | | 211,638 | | 211,638 |
| Capital Expenditures | | 3,095 | | 3,095 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,013,533 | $ | 1,013,533 |

# BOARD OF PROFESSIONAL LAND SURVEYING

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** LICENSING & ENFORCEMENT<br>To ensure that the residents of Texas will be able to obtain competent and accurate surveys prepared by qualified surveyors capable of meeting or exceeding the Professional and Technical Standards of Practice for surveying in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 98% | 98% |
| Percent of Documented Complaints Resolved within Six Months | 50% | 50% |
| Percent of Licensees Who Renew Online | 15% | 20% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** LICENSING AND EDUCATION<br>The board will examine applicants and regulate practicing surveyors, licensing only competent surveyors who must maintain competency through the completion of continuing education courses. | $ 325,740 | $ 325,740 |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 105 | 105 |
| Number of Licenses Renewed (Individuals) | 2,986 | 2,986 |
| Complaints Resolved | 46 | 46 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 5.81 | 5.81 |
| **A.1.2. Strategy:** EXAMINATION<br>Purchase and grade the National Exam (estimated and nontransferable). | $ 4,875 | $ 4,875 |
| **Output (Volume):** | | |
| Individuals Examined (National Exam) | 75 | 75 |
| **Total, Goal A:** LICENSING & ENFORCEMENT | $ 330,615 | $ 330,615 |
| **Grand Total,** BOARD OF PROFESSIONAL LAND SURVEYING | $ 330,615 | $ 330,615 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 67,907 | $ 68,952 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 4.5 | 4.5 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 1 | $47,000 | $47,000 |
| Per Diem of Board Members | 6,460 | 6,460 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 203,802 | $ 203,802 |
| Other Personnel Costs | 12,863 | 12,863 |
| Operating Costs | 4,875 | 4,875 |
| Professional Fees and Services | 30,100 | 30,100 |
| Consumable Supplies | 2,993 | 2,993 |
| Utilities | 3,126 | 3,126 |

## BOARD OF PROFESSIONAL LAND SURVEYING
(Continued)

| | | |
|---|---|---|
| Travel | 14,000 | 14,000 |
| Rent - Building | 32,688 | 32,688 |
| Rent - Machine and Other | 5,748 | 5,748 |
| Other Operating Expense | 20,420 | 20,420 |
| **Total, Object-of-Expense Informational Listing** | $ 330,615 | $ 330,615 |

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2004 and 2005, pursuant to the provisions of Government Code § 316.043:

   a. Certificate Renewal:
      (1) Registered Professional Surveyors — Not less than $130.00 or more than $153.00

      (2) Licensed State Land Surveyors — $ 35.00

   b. Examination Fee:
      (1) Registered Professional Surveyors — $125.00

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas Board of Professional Land Surveying are made contingent on the continuation of the Texas Board of Professional Land Surveying by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## DEPARTMENT OF LICENSING AND REGULATION

| | For the Years Ending August 31, 2004 | August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSING<br>To effectively serve the public by licensing, certifying, and registering qualified individuals and businesses, and provide information concerning the regulated industries. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 98% | 98% |
| Percent of New Air Conditioning Contractors Licenses Issued Online | 0% | 10% |
| Percent of Air Conditioning Contractors Licenses Renewed Online | 37% | 42% |
| Percent of New Architectural Barriers Licenses Issued Online | 0% | 10% |
| Percent of Architectural Barriers Licenses Renewed Online | 10% | 15% |
| Percent of New Auctioneers Licenses Issued Online | 0% | 10% |
| Percent of Auctioneers Licenses Renewed Online | 21% | 26% |
| Percent of New Boilers Licenses Issued Online | 0% | 10% |
| Percent of Boilers Licenses Renewed Online | 10% | 15% |
| Percent of New Career Counseling Services Licenses Issued Online | 0% | 10% |
| Percent of Career Counseling Services Licenses Renewed Online | 10% | 15% |
| Percent of New Combative Sports Licenses Issued Online | 0% | 10% |
| Percent of Combative Sports Licenses Renewed Online | 10% | 15% |
| Percent of New Court Interpreters Licenses Issued Online | 0% | 10% |

| | | | | |
|---|---|---|---|---|
| Percent of Court Interpreters Licenses Renewed Online | | 10% | | 15% |
| Percent of New Elevators and Escalators Licenses Issued Online | | 0% | | 10% |
| Percent of Elevators and Escalators Licenses Renewed Online | | 10% | | 15% |
| Percent of New Industrialized Housing and Building Licenses Issued Online | | 0% | | 10% |
| Percent of Industrialized Housing and Building Licenses Renewed Online | | 10% | | 15% |
| Percent of New Personnel Employment Services Licenses Issued Online | | 0% | | 10% |
| Percent of Personnel Employment Services Licenses Renewed Online | | 10% | | 15% |
| Percent of New Property Tax Consultants Licenses Issued Online | | 0% | | 10% |
| Percent of Property Tax Consultants Licenses Renewed Online | | 10% | | 15% |
| Percent of New Service Contract Providers Licenses Issued Online | | 0% | | 10% |
| Percent of Service Contract Providers Licenses Renewed Online | | 10% | | 15% |
| Percent of New Staff Leasing Services Licenses Issued Online | | 0% | | 10% |
| Percent of Staff Leasing Services Licenses Renewed Online | | 10% | | 15% |
| Percent of New Talent Agencies Licenses Issued Online | | 0% | | 10% |
| Percent of Talent Agencies Licenses Renewed Online | | 10% | | 15% |
| Percent of New Temporary Common Worker Employers Licenses Issued Online | | 0% | | 10% |
| Percent of Temporary Common Worker Employers Licenses Renewed Online | | 10% | | 15% |
| Percent of New Transportation Service Providers Licenses Issued Online | | 0% | | 10% |
| Percent of Transportation Service Providers Licenses Renewed Online | | 10% | | 15% |
| Percent of New Vehicle Protection Product Warrantors Licenses Issued Online | | 0% | | 10% |
| Percent of Vehicle Protection Product Warrantors Licenses Renewed Online | | 10% | | 15% |
| Percent of New Water Well Drillers Licenses Issued Online | | 0% | | 10% |
| Percent of Water Well Drillers Licenses Renewed Online | | 10% | | 15% |
| Percent of New Water Well Pump Installers Licenses Issued Online | | 0% | | 10% |
| Percent of Water Well Pump Installers Licenses Renewed Online | | 10% | | 15% |
| Percent of New Weather Modification Licenses Issued Online | | 0% | | 10% |
| Percent of Weather Modification Licenses Renewed Online | | 10% | | 15% |
| **A.1.1. Strategy:** LICENSE/REGISTER/CERTIFY | $ | 772,608 | $ | 772,608 |
| Issue licenses, registrations, and certificates to qualified applicants. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 3,000 | | 3,050 |
| Number of Licenses Renewed (Individuals) | | 18,647 | | 18,400 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued | | 17.5 | | 17.5 |
| **Explanatory:** | | | | |
| Total Number of Individuals Licensed | | 32,647 | | 32,450 |
| Total Number of Business Facilities Licensed | | 106,700 | | 107,200 |
| **A.1.2. Strategy:** EXAMINATIONS | $ | 136,000 | $ | 136,000 |
| Administer exams to applicants. | | | | |

| | | | | |
|---|---|---|---|---|
| **A.1.3. Strategy:** DISTRIBUTE INFORMATION | $ | 95,000 | $ | 95,000 |
| Develop and distribute information about regulated industries. | | | | |
| **Total, Goal A:** LICENSING | $ | 1,003,608 | $ | 1,003,608 |
| **B. Goal:** ENFORCEMENT | | | | |
| To protect the public by enforcing laws administered by the agency. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Documented Complaints Resolved within Six Months | | 55% | | 51% |
| Percent of Building Architectural Barrier Inspections Completed within Statutory Time Limits | | 100% | | 100% |
| Percent of Architectural Barrier Building Plan Reviews Completed within Thirty Days | | 91.8% | | 91.8% |
| Inspection Coverage Rate | | 95% | | 95% |
| Percentage of Boilers Inspected for Certification within Appropriate Timelines | | 69% | | 68% |
| **B.1.1. Strategy:** CONDUCT INSPECTIONS | $ | 3,158,614 | $ | 3,158,614 |
| To enforce laws by conducting routine, complex, and special inspections. | | | | |
| **Output (Volume):** | | | | |
| Total Number of Architectural Barrier Inspections Completed by Agency and Third Party Inspectors | | 12,682 | | 12,682 |
| Total Number of Plan Reviews Completed by Agency and Third Parties | | 13,458 | | 13,458 |
| **Efficiencies:** | | | | |
| Average Number of Months to Complete Architectural Barrier Inspections by Agency Staff | | 3.29 | | 3.29 |
| Average Number of Days to Complete Architectural Barrier Building Plan Reviews by Agency Staff | | 20.4 | | 20.4 |
| **Explanatory:** | | | | |
| Total Number of Inspections Completed | | 69,464 | | 69,494 |
| **B.1.2. Strategy:** RESOLVE COMPLAINTS | $ | 1,675,168 | $ | 1,675,168 |
| To enforce compliance through timely case settlements and prosecutions, administrative penalties, and sanctions. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 1,967 | | 1,913 |
| **Efficiencies:** | | | | |
| Average Time for Consumer Complaint Resolution (Days) | | 167 | | 172 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received | | 2,652 | | 2,532 |
| **Total, Goal B:** ENFORCEMENT | $ | 4,833,782 | $ | 4,833,782 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 785,400 | $ | 785,400 |
| **C.1.2. Strategy:** INFORMATION RESOURCES | $ | 700,040 | $ | 700,040 |
| **C.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 82,386 | $ | 82,386 |
| **Total, Goal C:** INDIRECT ADMINISTRATION | $ | 1,567,826 | $ | 1,567,826 |
| **Grand Total,** DEPARTMENT OF LICENSING AND REGULATION | $ | 7,405,216 | $ | 7,405,216 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 7,265,948 | $ | 7,265,948 |

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Appropriated Receipts | | 100,000 | | 100,000 |
| Interagency Contracts | | 37,268 | | 37,268 |
| Auctioneer Education and Recovery Trust Fund No. 898 | | 2,000 | | 2,000 |
| Subtotal, Other Funds | $ | 139,268 | $ | 139,268 |
| **Total, Method of Financing** | $ | 7,405,216 | $ | 7,405,216 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 2,255,409 | $ | 2,296,913 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 149.0 | | 149.0 |
| **Schedule of Exempt Positions:** | | | | |
| Commissioner, Group 3 | | $76,000 | | $76,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 6,285,168 | $ | 6,375,900 |
| Other Personnel Costs | | 88,243 | | 80,854 |
| Professional Fees and Services | | 67,737 | | 64,477 |
| Fuels and Lubricants | | 859 | | 656 |
| Consumable Supplies | | 42,929 | | 39,840 |
| Utilities | | 28,610 | | 32,374 |
| Travel | | 187,387 | | 179,298 |
| Rent - Building | | 27,915 | | 26,191 |
| Rent - Machine and Other | | 19,911 | | 18,363 |
| Other Operating Expense | | 517,425 | | 448,231 |
| Capital Expenditures | | 139,032 | | 139,032 |
| **Total, Object-of-Expense Informational Listing** | $ | 7,405,216 | $ | 7,405,216 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of Information Resource Technologies | $ | 114,032 | $ | 114,032 |
| b. Transportation Items | | | | |
| (1) Passenger Vehicle Fleet Replacement | | 25,000 | | 25,000 |
| Total, Capital Budget | $ | 139,032 | $ | 139,032 |

2. **Appropriation: Travel Expenses and Fee Reimbursements.** Funds appropriated above include reimbursements for travel expenses and special inspection fees collected pursuant to Health and Safety Code, § 755.030, Boilers Fees. Contingent upon certification by the Department of Licensing and Regulation and verification by the comptroller, all fees collected in excess of $130,000 each year of the biennium are hereby appropriated to the Texas Department of Licensing and Regulation.

3. **Auctioneer Education and Recovery.** Funds appropriated above include all revenue deposited to the Auctioneer Education and Recovery Fund for the purpose and in the amounts specified in Subchapter D, § 1802.151, Occupations Code, not to exceed $2,000 in each fiscal year from the interest on the fund.

4. **Elimination of Architectural Barriers.** Out of the General Revenue appropriated above, $2,848,095 for each year of the biennium, is appropriated from fees collected pursuant to Rev. Civ. St. Ann. Art. 9102, for the purposes of administering and enforcing the Architectural Barrier Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

5. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Industrialized Housing and Building Code Council, Water Well Drillers Advisory Council, Architectural Barriers Advisory Committee, Air Conditioning and Refrigeration Contractors Advisory Board, Board of Boiler Rules, Elevator Advisory Board, Property Tax Consultants Advisory Council.

6. **Elevators, Escalators, and Related Equipment.** Out of the General Revenue appropriated above, $627,924 for each year of the biennium, is appropriated from fees collected pursuant to Health and Safety Code, Chapter 754, Subchapter B for the purposes of administering and enforcing laws relating to elevators, escalators, and related equipment, as set out in Chapter 754, Health and Safety Code. Any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

7. **Reciprocity Agreements.** It is the intent of the Legislature that the Department of Licensing and Regulation initiate and enter into reciprocity agreements with other states for the purpose of performing industrialized housing inspections in order to minimize the need for the agency sending state employees out of state to perform such inspections. The department may enter into contracts with out-of-state inspectors to conduct such inspections.

8. **Elimination of Architectural Barriers: Reduce Duplicate Inspections.** None of the funds appropriated by this Act shall be expended for the purpose of conducting inspections and plan reviews within the corporate boundaries of a municipality which has applied with the department to perform review and inspection functions pursuant to the Elimination of Architectural Barriers Act, Rev. Civ. St. Ann. Art. 9102, § 5(f).

9. **Architectural Barrier Standards: Exemption.** None of the funds appropriated by this Act shall be expended for the purpose of enforcing the accessibility standards under the Elimination of Architectural Barriers program, Rev. Civ. St. Ann. Art. 9102, with respect to a structure or facility used primarily for religious rituals within a building or facility of a religious organization and which is exempt from the application of Rev. Civ. St. Ann. Art. 9102, pursuant to § 2(g) of that article.

10. **Electronic Examinations.** It is the intent of the Legislature that the Texas Department of Licensing and Regulation identify programs for which the required examinations could be offered in an electronic medium, and that the agency develop and implement electronic examinations for these programs.

11. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Department of Licensing and Regulation are made contingent on the continuation of the Department of Licensing and Regulation by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## BOARD OF MEDICAL EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSURE | | |
| Protect the public by licensing qualified practitioners, and non-profit entities, by determining eligibility for licensure through credential verification or renewal, and by collecting information on professionals regulated by the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations (Physician) | 99% | 99% |
| Percent of Licensees Who Renew Online (Physicians) | 93% | 98% |
| Percent of Licensees Who Renew Online (Physician Assistant) | 10% | 15% |
| Percent of New Individual Licenses Issued Online (Physicians) | 0% | 10% |
| Percent of New Individual Licenses Issued Online (Physician Assistant) | 0% | 10% |
| **A.1.1. Strategy:** LICENSING | $ 1,789,291 | $ 1,788,798 |
| Conduct a timely, efficient, and cost-effective licensure issuance and renewal process by which credentials are verified and applications are reviewed. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals (Physicians) | 4,507 | 4,507 |
| Number of New Licenses Issued to Individuals (Acupuncture) | 96 | 104 |
| Number of New Licenses Issued to Individuals (Physician Assistant) | 400 | 400 |
| Number of New Licenses Issued to Individuals (Surgical Assistant) | 39 | 39 |
| Number of Licenses Renewed (Individuals) (Physicians) | 53,709 | 53,709 |
| Number of Licenses Renewed (Individuals) (Acupuncture) | 496 | 504 |
| Number of Licenses Renewed (Individuals) (Physician Assistant) | 2,694 | 2,694 |
| Number of Licenses Renewed (Individuals) (Surgical Assistant) | 192 | 230 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued (Physician) | 21.56 | 21.56 |
| Average Licensing Cost Per Individual License Issued (Acupuncture) | 70.07 | 69.77 |
| Average Licensing Cost Per Individual License Issued (Physician Assistant) | 70.07 | 69.77 |
| Average Licensing Cost Per Individual License Issued (Surgical Assistant) | 566.82 | 486.75 |
| Average Licensing Cost Per Facility License Issued | 21.15 | 21.15 |
| Average Number of Days for Individual License Issuance (Physicians) | 135 | 135 |
| **B. Goal:** ENFORCE ACTS | | |
| To protect the public by conducting investigations of allegations against licensees and taking appropriate corrective and/or disciplinary action when necessary; by educating the public, staff, and licensees regarding the functions and services of the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners. | | |

## BOARD OF MEDICAL EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action (Physician) | | 10% | | 10% |
| Percent of Complaints Resulting in Disciplinary Action (Acupuncture) | | 10% | | 10% |
| Percent of Complaints Resulting in Disciplinary Action (Physician Assistant) | | 10% | | 10% |
| Percent of Complaints Resulting in Disciplinary Action (Surgical Assistant) | | 10% | | 10% |
| **B.1.1. Strategy:** ENFORCEMENT | $ | 2,309,543 | $ | 2,309,048 |
| Conduct competent, fair, and timely investigations; ensure due process for respondents; monitor the resolution of complaints; maintain adequate monitoring of all probationers in a timely fashion; and contact consumer complainants in a timely and regular manner. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved (Physician) | | 1,466 | | 1,466 |
| Number of Complaints Resolved (Acupuncture) | | 8 | | 8 |
| Number of Complaints Resolved (Physician Assistant) | | 47 | | 47 |
| Number of Complaints Resolved (Surgical Assistant) | | 3 | | 3 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Physician) (Days) | | 250 | | 250 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received (Physician) | | 1,750 | | 1,750 |
| Number of Jurisdictional Complaints Received (Acupuncture) | | 5 | | 5 |
| Number of Jurisdictional Complaints Received (Physician Assistant) | | 40 | | 40 |
| Number of Jurisdictional Complaints Received (Surgical Assistant) | | 3 | | 3 |
| **B.2.1. Strategy:** PUBLIC EDUCATION | $ | 126,045 | $ | 127,032 |
| Provide public awareness and educational programs to educate the public and licensees regarding the agency's functions, services and responsibilities. | | | | |
| **Total, Goal B:** ENFORCE ACTS | $ | 2,435,588 | $ | 2,436,080 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 847,959 | $ | 847,960 |
| **Grand Total,** BOARD OF MEDICAL EXAMINERS | $ | 5,072,838 | $ | 5,072,838 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 4,927,838 | $ | 4,927,838 |
| Appropriated Receipts | | 145,000 | | 145,000 |
| **Total, Method of Financing** | $ | 5,072,838 | $ | 5,072,838 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 1,595,104 | $ | 1,618,573 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 113.0 | | 113.0 |

## BOARD OF MEDICAL EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 3 | | $85,000 | | $85,000 |
| Salary Supplement | | 12,000 | | 12,000 |
| Per Diem of Board Members | | 23,500 | | 23,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,745,007 | $ | 3,745,007 |
| Other Personnel Costs | | 93,082 | | 93,082 |
| Operating Costs | | 911,443 | | 911,443 |
| Professional Fees and Services | | 180,068 | | 180,068 |
| Travel | | 130,932 | | 130,932 |
| Capital Expenditures | | 12,306 | | 12,306 |
| **Total, Object-of-Expense Informational Listing** | $ | 5,072,838 | $ | 5,072,838 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Replacement of Computer Hardware and Software | $ | 51,063 | $ | 57,615 |
| Total, Capital Budget | $ | 51,063 | $ | 57,615 |

2. **Salary Supplementation.** In addition to the amount specified in the schedule of exempt positions for the salary of the executive director, the State Board of Medical Examiners may approve a salary supplement not to exceed $12,000 annually if the executive director is a medical doctor and an attorney.

3. **Executive Director Salary.** If the executive director is not a physician, the amount listed in the Schedule of Exempt Positions shall be $68,173 for fiscal year 2004 and $68,173 for fiscal year 2005. The exempt position shall also be listed as "Group 2."

## BOARD OF NURSE EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSING<br>To manage cost-effective, quality programs of accreditation, examination, licensure, and regulation that ensure legal standards for professional nursing education and practice and which effectively serve the market demand for qualified professional nurses. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Licensees with No Recent Violations | 97.8% | 97.8% |
| Percent of Licensees Who Renew Online | 95% | 100% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** LICENSING<br>Operate an efficient system of licensing, examination, and credentials verification for the practice of professional nursing. | $ 1,589,149 | $ 1,749,510 |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 8,800 | 8,800 |
| Number of Individual Licenses Renewed | 79,000 | 79,000 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 2.2 | 2.2 |
| **A.2.1. Strategy:** ACCREDITATION<br>Operate an effective accreditation program for professional nursing programs that includes the implementation of essential competencies curricula. | $ 223,387 | $ 227,850 |
| **Total, Goal A:** LICENSING | $ 1,812,536 | $ 1,977,360 |
| **B. Goal:** PROTECT PUBLIC<br>To ensure swift, fair, and effective enforcement of the Nursing Practice Act so that consumers are protected from unsafe, incompetent, and unethical nursing practice by registered professional nurses. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resulting in Disciplinary Action | 47% | 47% |
| Recidivism Rate for Peer Assistance Programs | 2% | 2% |
| **B.1.1. Strategy:** ADJUDICATE VIOLATIONS<br>Administer an effective system of enforcement and adjudication which includes investigating and resolving complaints. | $ 777,350 | $ 791,000 |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 2,300 | 2,300 |
| **Efficiencies:** | | |
| Average Time for Complaint Resolution (Days) | 190 | 195 |
| **Explanatory:** | | |
| Number of Jurisdictional Complaints Received | 2,400 | 2,400 |
| **B.1.2. Strategy:** PEER ASSISTANCE<br>Identify, refer and assist those registered professional nurses whose practice is impaired. | $ 323,750 | $ 323,750 |
| **Output (Volume):** | | |
| Number of Licensed Individuals Participating in a Peer Assistance Program | 450 | 450 |
| **Total, Goal B:** PROTECT PUBLIC | $ 1,101,100 | $ 1,114,750 |
| **Grand Total,** BOARD OF NURSE EXAMINERS | $ 2,913,636 | $ 3,092,110 |

**Method of Financing:**

## BOARD OF NURSE EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| General Revenue Fund | $ | 2,270,636 | $ | 2,449,110 |
| Appropriated Receipts | | 643,000 | | 643,000 |
| **Total, Method of Financing** | $ | 2,913,636 | $ | 3,092,110 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 696,475 | $ | 710,263 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 51.0 | | 51.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $62,000 | | $62,000 |
| Per Diem of Board Members | | 10,000 | | 10,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,772,372 | $ | 1,819,454 |
| Other Personnel Costs | | 100,000 | | 102,000 |
| Professional Fees and Services | | 8,000 | | 8,000 |
| Consumable Supplies | | 265,000 | | 275,000 |
| Utilities | | 37,000 | | 38,000 |
| Travel | | 37,000 | | 39,000 |
| Other Operating Expense | | 667,064 | | 779,456 |
| Capital Expenditures | | 27,200 | | 31,200 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,913,636 | $ | 3,092,110 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Acquisition of Information Resource Technologies | $ | 27,200 | $ | 31,200 |
| Total, Capital Budget | $ | 27,200 | $ | 31,200 |

## BOARD OF VOCATIONAL NURSE EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSING<br>To establish and implement cost-effective and efficient systems of regulation through education, practice, and licensure and discipline to meet the market demand for safe, competent, and ethical vocational nurses. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Licensees with No Recent Violations | 96% | 96% |
| Percent of Licensees Who Renew Online | 30% | 35% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| Percent of Complaints Resulting in Disciplinary Action | 52% | 53% |
| **A.1.1. Strategy:** LICENSING | $ 468,099 | $ 472,899 |
| Operate an efficient and comprehensive licensure system. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 4,000 | 4,000 |
| Number of Individual Licenses Renewed | 37,000 | 37,000 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 8.6 | 8.6 |
| **A.2.1. Strategy:** NURSING PROGRAM APPROVAL | $ 292,724 | $ 287,924 |
| Ensure a cost-effective and comprehensive vocational nursing program approval system. | | |
| **Output (Volume):** | | |
| Total Number of Programs Licensed | 114 | 114 |
| **A.3.1. Strategy:** ENFORCEMENT | $ 296,926 | $ 296,927 |
| Investigate jurisdictional complaints, institute disciplinary action, and monitor and enforce probationary stipulations. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 1,350 | 1,350 |
| **Efficiencies:** | | |
| Average Time for Complaint Resolution (Days) | 180 | 180 |
| **Explanatory:** | | |
| Number of Jurisdictional Complaints Received | 1,200 | 1,200 |
| **A.3.2. Strategy:** PEER ASSISTANCE | $ 180,000 | $ 180,000 |
| To identify, refer, and assist those licensed vocational nurses whose practice is impaired. | | |
| **Output (Volume):** | | |
| Number of Licensed Individuals Participating in a Peer Assistance Program | 100 | 100 |
| **Total, Goal A:** LICENSING | $ 1,237,749 | $ 1,237,750 |
| **Grand Total,** BOARD OF VOCATIONAL NURSE EXAMINERS | $ 1,237,749 | $ 1,237,750 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 1,207,649 | $ 1,207,650 |
| Appropriated Receipts | 30,100 | 30,100 |
| **Total, Method of Financing** | $ 1,237,749 | $ 1,237,750 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 343,269 | $ 343,793 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 22.5 | 22.0 |

## BOARD OF VOCATIONAL NURSE EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $58,000 | | $58,000 |
| Per Diem of Board Members | | 9,090 | | 9,090 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 812,400 | $ | 804,000 |
| Other Personnel Costs | | 17,000 | | 17,000 |
| Consumable Supplies | | 5,000 | | 5,000 |
| Utilities | | 15,000 | | 15,000 |
| Travel | | 28,000 | | 28,000 |
| Rent - Machine and Other | | 9,180 | | 9,180 |
| Other Operating Expense | | 351,169 | | 359,570 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,237,749 | $ | 1,237,750 |

## OPTOMETRY BOARD

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** EXAMINATION AND LICENSURE<br>To manage a quality program of examination and licensure to ensure the initial and continuing competency of optometrists and enforce the optometry statutes to ensure that the public is protected from incompetent services, fraud and misrepresentation. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees with No Recent Violations | | 99.6% | | 99.6% |
| Percent of Licensees Who Renew Online | | 12.4% | | 17.4% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **A.1.1. Strategy:** LICENSURE AND ENFORCEMENT<br>Operate an efficient and comprehensive optometry licensure and enforcement system. | $ | 356,725 | $ | 356,725 |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 147 | | 147 |
| Number of Licenses Renewed (Individuals) | | 3,123 | | 3,123 |
| Number of Complaints Resolved | | 141 | | 141 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 70 | | 70 |
| **Grand Total,** OPTOMETRY BOARD | $ | 356,725 | $ | 356,725 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 322,901 | $ | 322,901 |
| Other Funds | | | | |
| Appropriated Receipts | | 10,000 | | 10,000 |
| Interagency Contracts | | 23,824 | | 23,824 |
| Subtotal, Other Funds | $ | 33,824 | $ | 33,824 |
| **Total, Method of Financing** | $ | 356,725 | $ | 356,725 |

## OPTOMETRY BOARD
(Continued)

| | | |
|---|---|---|
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 125,251 | $ 126,916 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 7.0 | 7.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 1 | $60,000 | $60,000 |
| Per Diem of Board Members | 3,720 | 3,720 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 268,000 | $ 268,000 |
| Other Personnel Costs | 7,100 | 7,800 |
| Operating Costs | 81,625 | 80,925 |
| **Total, Object-of-Expense Informational Listing** | $ 356,725 | $ 356,725 |

1. **Investigative Expenses Authorized.** The Texas Optometry Board is authorized to hire investigators as independent contractors and to establish a petty cash account not to exceed $5,000 for the advancement of monies for purposes of purchases of evidence and investigative expenses, including travel, deemed necessary by the board.

## STRUCTURAL PEST CONTROL BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSE AND EDUCATE | | |
| To appropriately license all individuals in commercial and noncommercial pest control. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 98% | 98% |
| Percent of Licensees Who Renew Online | 10% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** LICENSING AND EXAMINATIONS | $ 374,439 | $ 374,439 |
| Examine and license applicators and technicians and ensure appropriate standards for training. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 5,510 | 5,394 |
| Number of Licenses Renewed (Individuals) | 12,825 | 12,555 |
| **Efficiencies:** | | |
| Average Licensing Cost per Individual License Issued | 25 | 25 |
| **B. Goal:** REGULATE PEST SERVICES | | |
| To ensure compliance with regulations therefore providing environmentally sound and effective pest control. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resolved Within Six Months | 65% | 65% |
| **B.1.1. Strategy:** REGULATORY ACTIVITIES | $ 856,548 | $ 856,548 |
| Conduct programs to disseminate information, respond to complaints, perform inspections and necessary investigations, and take appropriate enforcement actions. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 736 | 736 |
| Number of Inspections Performed | 1,520 | 1,488 |
| **Efficiencies:** | | |
| Average Time for Complaint Resolution (Days) | 75 | 75 |
| **C. Goal:** EDUCATION AND AWARENESS | | |

## STRUCTURAL PEST CONTROL BOARD
(Continued)

| | | | | |
|---|---|---|---|---|
| To provide for the education and awareness to the citizenry of Texas concerning matters relating to pest control, with emphasis on Integrated Pest Management in Texas public schools. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Independent School Districts Reviewed Regarding Integrated Pest Management | | 15% | | 15% |
| **C.1.1. Strategy:** PUBLIC AWARENESS EFFORTS | $ | 81,650 | $ | 81,650 |
| Conduct a program for public awareness and education concerning Integrated Pest Management and compliance assistance. | | | | |
| **Output (Volume):** | | | | |
| Number of School Inspections Performed | | 200 | | 200 |
| **Grand Total,** STRUCTURAL PEST CONTROL BOARD | $ | 1,312,637 | $ | 1,312,637 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,162,037 | $ | 1,162,037 |
| Federal Funds | | 150,000 | | 150,000 |
| Appropriated Receipts | | 600 | | 600 |
| **Total, Method of Financing** | $ | 1,312,637 | $ | 1,312,637 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 369,313 | $ | 376,078 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 31.0 | | 31.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $63,000 | | $63,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 1,053,248 | $ | 1,053,248 |
| Other Personnel Costs | | 25,060 | | 25,060 |
| Consumable Supplies | | 13,000 | | 13,000 |
| Utilities | | 8,050 | | 8,050 |
| Travel | | 123,987 | | 123,987 |
| Rent - Building | | 1,625 | | 1,625 |
| Rent - Machine and Other | | 6,729 | | 6,729 |
| Other Operating Expense | | 80,938 | | 80,938 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,312,637 | $ | 1,312,637 |

1. **Use of Temporary and Contract Workers.** None of the amounts appropriated above to the Structural Pest Control Board may be expended for temporary staffing service contracts.

2. **Field Investigators.** It is the intent of the legislature that the Structural Pest Control Board, whenever possible, hire qualified job candidates from the region where the vacancy exists.

## BOARD OF PHARMACY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the Pharmacy Board Operating Account No. 523:** | | |
| **A. Goal:** MAINTAIN STANDARDS | | |
| To establish and implement reasonable standards for pharmacist education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Percent of Licensees Who Renew Online | 18% | 23% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** LICENSING | $ 658,496 | $ 633,199 |
| Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists. | | |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 780 | 800 |
| Number of Licenses Renewed (Individuals) | 10,880 | 11,650 |
| **Efficiencies:** | | |
| Average Licensing Cost per Individual License Issued | 15.74 | 19.37 |
| Average Licensing Cost per Facility License Issued | 36.98 | 40.82 |
| **Explanatory:** | | |
| Total Number of Business Facilities Licensed | 5,850 | 5,900 |
| **B. Goal:** ENFORCE REGULATIONS | | |
| To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety is protected from the following: incompetent pharmacists; unprofessional conduct, fraud, and misrepresentation by licensees; and diversion of prescription drugs from pharmacies; and to promote positive patient outcomes through the following: reduction of medication errors by encouraging or requiring licensees to implement self-assessment programs and continuous quality improvement programs, including peer review processes; and enforcement of rules relating to patient counseling and drug regimen review, including prevention of misuse and abuse of prescription drugs. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Complaints Resulting in Disciplinary Action | 10% | 10% |
| **B.1.1. Strategy:** ENFORCEMENT | $ 1,630,082 | $ 1,956,834 |
| Emphasize preventative enforcement by conducting compliance inspections of pharmacies; promote voluntary compliance by providing information, education, and technical assistance to licensees; and protect public health and safety by receiving, investigating, and resolving complaints, disciplining licensees, and monitoring compliance with disciplinary orders resulting from board adjudication. | | |
| **Output (Volume):** | | |
| Number of Complaints Resolved | 1,700 | 1,700 |
| **Efficiencies:** | | |
| Average Time for Complaint Resolution (Days) | 250 | 250 |
| **Explanatory:** | | |
| Number of Jurisdictional Complaints Received | 1,800 | 1,800 |
| **B.1.2. Strategy:** PEER ASSISTANCE | $ 146,825 | $ 146,825 |
| Operate a peer assistance program. | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Individuals Participating in a Peer Assistance Program | | 135 | | 135 |
| **Total, Goal B:** ENFORCE REGULATIONS | $ | 1,776,907 | $ | 2,103,659 |
| **C. Goal:** INDIRECT ADMINISTRATION | | | | |
| **C.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 533,169 | $ | 548,713 |
| **Grand Total,** BOARD OF PHARMACY | $ | 2,968,572 | $ | 3,285,571 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 767,947 | $ | 835,422 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 45.0 | | 45.0 |
| **Number of FTEs in Riders:** | | 3.0 | | 9.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $70,000 | | $70,000 |
| Per Diem of Board Members | | 9,450 | | 9,450 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,156,680 | $ | 2,324,916 |
| Other Personnel Costs | | 45,136 | | 45,136 |
| Operating Costs | | 267,840 | | 261,662 |
| Professional Fees and Services | | 146,000 | | 132,500 |
| Other Operating Expense | | 339,123 | | 406,456 |
| Capital Expenditures | | 13,793 | | 114,901 |
| **Total, Object-of-Expense Informational Listing** | $ | 2,968,572 | $ | 3,285,571 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the GR Dedicated - Pharmacy Board Operating Account No. 523: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Replacement and Acquisition of New Computer Hardware | $ | 0 | $ | 65,401 |
| b. Transportation Items | | | | |
| (1) Purchase of New Vehicles (3) | | 0 | | 49,500 |
| Total, Capital Budget | $ | 0 | $ | 114,901 |

## BOARD OF PHARMACY
(Continued)

2. **Contingent Appropriation for Registration of Pharmacy Technicians.**

   a. Of the amounts appropriated above to the Board of Pharmacy the following amounts are contingent on the Pharmacy Board assessing fees sufficient to generate $246,432 in excess of $3,651,000 (Object Code 3562) in fiscal year 2004 and $479,837 in excess of $3,881,000 (Object Code 3562) in fiscal year 2005, as contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for the 2004-2005 biennium:

      (1) in Strategy A.1.1, Licensing, the amount of $246,432 in fiscal year 2004 and the amount of $177,525 in fiscal year 2005; and

      (2) in Strategy B.1.1, Enforcement, the amount of $302,312 in fiscal year 2005.

   b. The Pharmacy Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2004-2005 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available.

   c. Also contingent upon the Board of Pharmacy assessing fees sufficient to generate $246,432 in excess of $3,651,000 (Object Code 3562) in fiscal year 2004 and $479,837 in excess of $3,881,000 (Object Code 3562) in fiscal year 2005, as contained in the Comptroller of Public Accounts' Biennial Revenue Estimate, the "Number of Full-Time Equivalent Positions" figure indicated above is increased by 3 for FY 2004 and by 9 for FY 2005. In no event shall the amount expended by this provision exceed the amount of additional revenue generated.

   d. None of the funds out of the GR-Dedicated - Pharmacy Board Operating Account No. 523 that are appropriated by this provision may be expended for capital budget items except as identified below and included in the capital budget:

      (1) Acquisition of Information Resources Technologies
         (a) Acquisition of new computer hardware: $18,301 in FY 2005: and

      (2) Transportation Items
         (a) Purchase of New Vehicles (3): $49,500 in FY 2005.

## EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSING AND REGISTRATION<br>To protect the public health and safety by licensing qualified practitioners of physical therapy and occupational therapy and registering the eligible facilities providing such services. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations: Physical Therapy | 99% | 99% |
| Percent of Licensees with No Recent Violations: Occupational Therapy | 100% | 100% |
| Percent of Licensees Who Renew Online | 27.5% | 32.5% |

## EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **A.1.1. Strategy:** OPERATE LICENSING SYSTEM | $ | 475,206 | $ | 475,206 |
| Operate an efficient, accurate, and timely licensure process to license physical therapists, physical therapist assistants, occupational therapists and occupational therapy assistants, through specific requirements for preparatory education, examinations, endorsements, continuing education, and renewal, and operate an efficient, accurate and timely registration process to register and renew licenses for facilities in which the practices of physical therapy and occupational therapy are conducted. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals: Physical Therapy | | 803 | | 803 |
| Number of New Licenses Issued to Individuals: Occupational Therapy | | 527 | | 527 |
| Number of Licenses Renewed (Individuals): Physical Therapy | | 5,206 | | 5,206 |
| Number of Licenses Renewed (Individuals): Occupational Therapy | | 3,072 | | 3,072 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued: Physical Therapy | | 45 | | 45 |
| Average Licensing Cost Per Individual License Issued: Occupational Therapy | | 70 | | 70 |
| Average Cost Per Facility Registration Issued | | 32 | | 32 |
| **Explanatory:** | | | | |
| Total Number of Business Facilities Registered | | 2,271 | | 2,271 |
| **B. Goal:** ENFORCEMENT | | | | |
| To protect the public by investigating allegations against individuals in violation of the laws governing the practice of physical therapy and occupational therapy, and taking appropriate corrective and/or disciplinary action when necessary; and by educating the public, staff and licensees regarding board functions and services. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Complaints Resulting in Disciplinary Action: Physical Therapy | | 20% | | 20% |
| Percent of Complaints Resulting in Disciplinary Action: Occupational Therapy | | 29.3% | | 29.3% |
| **B.1.1. Strategy:** ADMINISTER ENFORCEMENT | $ | 303,820 | $ | 303,820 |
| Administer a system of enforcement and adjudication of the laws governing the practice of physical therapy and occupational therapy. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved: Physical Therapy | | 150 | | 170 |
| Number of Complaints Resolved: Occupational Therapy | | 41 | | 41 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution: Physical Therapy (Days) | | 200 | | 200 |
| Average Time for Complaint Resolution: Occupational Therapy (Days) | | 142 | | 142 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received: Physical Therapy | | 184 | | 184 |

## EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| Number of Jurisdictional Complaints Received: | | | | |
| Occupational Therapy | | 64 | | 64 |
| **Grand Total,** EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS | $ | 779,026 | $ | 779,026 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 754,026 | $ | 754,026 |
| Appropriated Receipts | | 25,000 | | 25,000 |
| **Total, Method of Financing** | $ | 779,026 | $ | 779,026 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 253,409 | $ | 256,555 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 18.0 | | 18.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $51,198 | | $51,198 |
| Per Diem of Board Members | | 5,070 | | 5,070 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 624,198 | $ | 624,198 |
| Other Personnel Costs | | 15,500 | | 15,500 |
| Professional Fees and Services | | 20,350 | | 20,350 |
| Consumable Supplies | | 12,000 | | 12,000 |
| Utilities | | 10,900 | | 10,900 |
| Travel | | 31,230 | | 31,230 |
| Rent - Building | | 175 | | 175 |
| Other Operating Expense | | 64,673 | | 64,673 |
| **Total, Object-of-Expense Informational Listing** | $ | 779,026 | $ | 779,026 |

## BOARD OF PLUMBING EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENSURE PUBLIC SAFETY/PLUMBING<br>To protect the health and safety of Texas citizens by ensuring that each person has access to uncontaminated drinking water, air and medical gases through quality plumbing systems installed and maintained by competent Master Plumbers, Journeyman Plumbers, Tradesman Plumber-Limited Licensees, Plumber's Apprentices, Residential Utility Installers, Drain Cleaners, Drain Cleaner-restricted Registrants and that the systems are inspected by competent Plumbing Inspectors; to ensure that all individuals involved in the installation, maintenance and inspection of plumbing systems in each city and public water system in the state are regulated by fair and responsive enforcement of clear standards, in order that the public may live and work in the safe environment that properly installed plumbing systems are designed to provide. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Complaints Resolved Resulting in Disciplinary Action | 60% | 60% |
| Percentage of Licensees with No Recent Violations | 97% | 97% |
| Percent of Licensees Who Renew Online | 14.8% | 19.8% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| **A.1.1. Strategy:** EXAMINE AND LICENSE PLUMBERS<br>Administer competency examinations and issue and renew licenses for master plumbers, journeyman plumbers, tradesman plumber-limited licensees, plumbing inspectors, medical gas endorsements, and water supply protection endorsements; issue and renew registrations for plumber's apprentices, residential utility installers, drain cleaners and drain cleaner-restricted registrants. | $ 632,019 | $ 632,019 |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 1,069 | 1,087 |
| **Efficiencies:** | | |
| Average Licensing Cost Per Individual License Issued | 4.75 | 4.75 |
| **A.1.2. Strategy:** INSPECTIONS AND ENFORCEMENT<br>Inspect and monitor job sites; conduct continuing education seminars and training sessions; respond to inquiries; investigate and resolve complaints; issue reprimands and revoke or suspend licenses and registrations; issue citations; monitor providers of instruction in medical gas piping programs, water supply protection specialist programs, and continuing professional education programs; inspect plumbing for compliance with state plumbing codes; and maintain contacts with municipal authorities that comply with the Act through local ordinances. | $ 485,000 | $ 485,000 |
| **Output (Volume):** | | |
| Number of Job Sites Monitored | 6,750 | 6,750 |
| Number of Field Investigations Conducted | 317 | 317 |
| Number of Complaints Resolved | 317 | 317 |
| **Total, Goal A:** ENSURE PUBLIC SAFETY/PLUMBING | $ 1,117,019 | $ 1,117,019 |

## BOARD OF PLUMBING EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **B. Goal:** INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 387,500 | $ | 387,500 |
| **Grand Total,** BOARD OF PLUMBING EXAMINERS | $ | 1,504,519 | $ | 1,504,519 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 1,494,519 | $ | 1,494,519 |
| Appropriated Receipts | | 10,000 | | 10,000 |
| **Total, Method of Financing** | $ | 1,504,519 | $ | 1,504,519 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 318,652 | $ | 324,690 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 20.0 | | 20.0 |
| **Schedule of Exempt Positions:** | | | | |
| Administrator, Group 2 | | $62,000 | | $62,000 |
| Per Diem of Board Members | | 2,030 | | 2,030 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 877,100 | $ | 877,100 |
| Other Personnel Costs | | 19,800 | | 19,800 |
| Operating Costs | | 592,619 | | 607,619 |
| Capital Expenditures | | 15,000 | | 0 |
| **Total, Object-of-Expense Informational Listing** | $ | 1,504,519 | $ | 1,504,519 |

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Texas State Board of Plumbing Examiners are made contingent on the continuation of the Texas State Board of Plumbing Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## BOARD OF PODIATRIC MEDICAL EXAMINERS

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** PROTECT TEXANS<br>To protect the citizens of Texas from incompetent and unethical podiatrists with a quality program of examination and licensure and swift, fair, and effective enforcement of statutes and rules. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensees with No Recent Violations | | 98% | | 98% |
| Percent of Documented Complaints Resolved within Six Months | | 62% | | 62% |
| Percent of Licensees Who Renew Online | | 10% | | 15% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| **A.1.1. Strategy:** LICENSURE AND ENFORCEMENT<br>Operate a system of: (1) testing and examination of candidates for licensure; (2) mandatory continuing medical education of | $ | 205,657 | $ | 200,892 |

## BOARD OF PODIATRIC MEDICAL EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| licensees; and (3) investigation and disciplinary hearings for alleged violations of the Texas Podiatric Medical Practice Act. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 56 | | 56 |
| Complaints Resolved | | 108 | | 108 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued | | 8.43 | | 8.43 |
| Average Time for Complaint Resolution (Days) | | 201.1 | | 201.1 |
| **Explanatory:** | | | | |
| Total Number of Individuals Licensed | | 1,043 | | 1,043 |
| **Grand Total,** BOARD OF PODIATRIC MEDICAL EXAMINERS | $ | 205,657 | $ | 200,892 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 202,457 | $ | 197,692 |
| Appropriated Receipts | | 3,200 | | 3,200 |
| **Total, Method of Financing** | $ | 205,657 | $ | 200,892 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 74,223 | $ | 74,778 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 4.0 | | 4.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $52,000 | | $52,000 |
| Per Diem of Board Members | | 1,080 | | 1,080 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 153,064 | $ | 153,064 |
| Other Personnel Costs | | 3,120 | | 3,120 |
| Operating Costs | | 41,473 | | 39,208 |
| Capital Expenditures | | 8,000 | | 5,500 |
| **Total, Object-of-Expense Informational Listing** | $ | 205,657 | $ | 200,892 |

## BOARD OF EXAMINERS OF PSYCHOLOGISTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LICENSURE<br>To protect the public by maintaining a quality program of examination and licensure to ensure the initial and continuing competency of psychologists, psychological associates, and licensed specialists in school psychology. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Percent of Licensees Who Renew Online | 24.5% | 29.5% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |

## BOARD OF EXAMINERS OF PSYCHOLOGISTS
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.1.1. Strategy:** LICENSING<br>To operate a quality licensure program through an efficient and cost effective program of licensure, including education, experience and examination requirements, continuing education requirements and renewal requirements. | $ | 410,033 | $ | 410,033 |
| **Output (Volume):** | | | | |
| Number of New Certificates/Licenses Issued to Individuals | | 385 | | 385 |
| Number of Certificates/Licenses Renewed (Individuals) | | 6,385 | | 6,385 |
| **Efficiencies:** | | | | |
| Average Licensing Cost Per Individual License Issued | | 23 | | 23 |
| **B. Goal:** ENFORCEMENT LAWS & RULES<br>To protect the public through enforcement of the laws and rules governing the practice of psychology in Texas and to ensure swift, fair and effective disciplinary action for violators, including re-education and/or rehabilitation of those violators. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Documented Complaints Resolved within Six Months | | 27% | | 35% |
| **B.1.1. Strategy:** ENFORCEMENT<br>Operate a quality investigation/enforcement program in response to complaints concerning psychological practice consistent with the due process laws of Texas, in a timely manner and with a focus during enforcement on rehabilitation of the psychological provider. | $ | 280,530 | $ | 280,531 |
| **Output (Volume):** | | | | |
| Complaints Resolved | | 150 | | 150 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 250 | | 250 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received | | 160 | | 160 |
| **Grand Total,** BOARD OF EXAMINERS OF PSYCHOLOGISTS | $ | 690,563 | $ | 690,564 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 625,563 | $ | 625,564 |
| Appropriated Receipts | | 65,000 | | 65,000 |
| **Total, Method of Financing** | $ | 690,563 | $ | 690,564 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 196,644 | $ | 198,396 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 14.0 | | 14.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $52,000 | | $52,000 |
| Per Diem of Board Members | | 7,050 | | 7,050 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 493,797 | $ | 493,797 |
| Other Personnel Costs | | 11,200 | | 11,200 |
| Professional Fees and Services | | 80,800 | | 80,800 |
| Consumable Supplies | | 10,000 | | 10,000 |
| Utilities | | 6,200 | | 6,200 |
| Travel | | 22,000 | | 22,000 |
| Rent - Building | | 3,400 | | 3,400 |
| Rent - Machine and Other | | 1,000 | | 1,000 |
| Other Operating Expense | | 62,166 | | 62,167 |
| **Total, Object-of-Expense Informational Listing** | $ | 690,563 | $ | 690,564 |

## BOARD OF EXAMINERS OF PSYCHOLOGISTS
(Continued)

1. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members out of funds appropriated above is limited to the following advisory committee: Psychological Associate Advisory Committee.

## RACING COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the Texas Racing Commission Account No. 597:** | | |
| **A. Goal:** ENFORCE RACING REGULATION | | |
| To enforce racing regulations in Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Investigations (Individuals) Resulting in Disciplinary Action | 97% | 97% |
| Percentage of Licensees with No Recent Violations | 98% | 98% |
| Percentage of Race Animals Injured or Dismissed from the Racetrack | .3% | .3% |
| **A.1.1. Strategy:** REGULATE RACETRACK OWNERS | $ 160,546 | $ 160,546 |
| Monitor racetrack owners and their operations through regulatory and enforcement activities. | | |
| **Output (Volume):** | | |
| Number of Racetrack Inspections | 69 | 69 |
| **Efficiencies:** | | |
| Average Regulatory Cost per Horse Racetrack | 21,281 | 21,281 |
| Average Regulatory Cost per Greyhound Racetrack | 21,281 | 21,281 |
| **Explanatory:** | | |
| Number of Horse Tracks Regulated | 7 | 7 |
| Number of Greyhound Tracks Regulated | 3 | 3 |
| **A.2.1. Strategy:** TEXAS BRED INCENTIVE PROGRAM | $ 5,418,494 | $ 5,418,494 |
| Administer the Texas Bred Incentive Program by monitoring the Texas bred races and account, and through timely allocation of funds to the breed registries (nontransferable). | | |
| **Output (Volume):** | | |
| Number of Texas-bred Awards | 25,960 | 26,400 |
| **A.3.1. Strategy:** SUPERVISE RACING CONDUCT | $ 1,248,338 | $ 1,248,538 |
| Supervise the conduct of racing through enforcement of regulations and monitoring of races. | | |
| **Output (Volume):** | | |
| Number of Occupational Licenses Suspended or Revoked | 220 | 220 |
| Number of Investigations Completed | 1,527 | 1,527 |
| **A.4.1. Strategy:** HEALTH AND DRUG TESTING PROGRAM | $ 633,093 | $ 633,293 |
| Administer Animal Health and Drug Testing Program through animal drug tests and veterinary inspections. | | |
| **Output (Volume):** | | |
| Number of Race Animals Inspected Pre-race | 136,554 | 136,554 |
| **Total, Goal A:** ENFORCE RACING REGULATION | $ 7,460,471 | $ 7,460,871 |

**B. Goal:** REGULATE PARTICIPATION
Regulate the participation in racing.

## RACING COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Outcome (Results/Impact):** | | | | |
| Average Time Required to Issue a New Occupational License (Minutes) | | 7 | | 7 |
| **B.1.1. Strategy:** OCCUPATIONAL LICENSING PROGRAM | $ | 412,943 | $ | 413,343 |
| Administer the Occupational Licensing Program through enforcement of regulations. | | | | |
| **Output (Volume):** | | | | |
| Number of New Occupational Licenses Issued | | 6,150 | | 6,150 |
| Number of Occupational Licenses Renewed | | 9,500 | | 9,500 |
| **Efficiencies:** | | | | |
| Average Regulatory Cost per Licensee | | 28.72 | | 28.72 |
| **C. Goal:** REGULATE PARI-MUTUEL WAGERING | | | | |
| Regulate pari-mutuel wagering in Texas. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Compliance Audits Passed | | 96% | | 96% |
| **C.1.1. Strategy:** REGULATE PARI-MUTUEL WAGERING | $ | 601,319 | $ | 601,519 |
| Regulate pari-mutuel wagering to maintain an honest racing industry. | | | | |
| **Output (Volume):** | | | | |
| Number of Illegal Wagering Investigations Completed | | 12 | | 12 |
| **Efficiencies:** | | | | |
| Average Cost per Illegal Wagering Investigation | | 430.73 | | 430.73 |
| **Explanatory:** | | | | |
| Total Pari-mutuel Handle (In Millions) | | 632.36 | | 635.46 |
| Total Take to the State Treasury from Pari-mutuel Wagering on Live and Simulcast Races | | 5,417,301 | | 5,562,937 |
| **D. Goal:** INDIRECT ADMINISTRATION | | | | |
| **D.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 615,155 | $ | 615,155 |
| **D.1.2. Strategy:** INFORMATION RESOURCES | $ | 215,978 | $ | 215,978 |
| **D.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 22,368 | $ | 22,368 |
| **Total, Goal D:** INDIRECT ADMINISTRATION | $ | 853,501 | $ | 853,501 |
| **Grand Total,** RACING COMMISSION | $ | 9,328,234 | $ | 9,329,234 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 796,651 | $ | 807,621 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 68.5 | | 68.5 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Secretary, Group 2 | | $77,760 | | $77,760 |
| Per Diem of Commissioners | | 6,500 | | 6,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 3,097,366 | $ | 3,097,366 |
| Other Personnel Costs | | 73,881 | | 74,881 |
| Operating Costs | | 738,493 | | 738,493 |
| Grants | | 5,418,494 | | 5,418,494 |
| **Total, Object-of-Expense Informational Listing** | $ | 9,328,234 | $ | 9,329,234 |

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

Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

| | 2004 | 2005 |
|---|---|---|
| Out of the GR Dedicated - Texas Racing Commission Account No. 597: | | |
| a. Acquisition of Information Resource Technologies | | |
| (1) Purchase Computer Hardware & Software | $ 34,457 | $ 34,457 |
| Total, Capital Budget | $ 34,457 | $ 34,457 |

2. **Limitation on Travel Reimbursement.** Out of the funds appropriated above, not more than $1,500 per Commissioner may be expended on out-of-state travel and not more than $3,000 per Commissioner may be expended on in-state travel in each year of the biennium.

3. **Appropriation: Unexpended Balances.** Unexpended balances remaining in Racing Commission Receipts as of August 31, 2004, are hereby appropriated for the fiscal year beginning September 1, 2004.

4. **Texas Bred Incentive Program Receipts.** Amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.

5. **Criminal History Checks.** Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, $25,000 in fiscal year 2004 and $25,000 in fiscal year 2005 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety for costs incurred in conducting criminal history checks on Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks is hereby appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety.

6. **Texas Bred Incentive Program Awards.** None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.

## REAL ESTATE COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** ENSURE STANDARDS<br>To determine that applicants for licensure meet legal requirements for real estate license issuance. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 98% | 98% |
| Percent of Licensees Who Renew Online | 34% | 39% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |

| | | | | |
|---|---|---|---|---|
| **A.1.1. Strategy:** TREC LICENSING | $ | 1,054,324 | $ | 1,054,324 |
| Perform the commission's licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses Issued to Individuals | | 13,000 | | 13,000 |
| Number of Licenses Renewed (Individuals) | | 53,000 | | 53,000 |
| **Efficiencies:** | | | | |
| Average Licensing Cost per Individual License Issued | | 13.42 | | 13.42 |
| Average Time for Individual License Issuance (Days) | | 40 | | 40 |
| **B. Goal:** ENFORCE REGULATIONS | | | | |
| To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Documented Complaints Resolved Within Six Months | | 70% | | 70% |
| **B.1.1. Strategy:** TREC INVESTIGATION | $ | 1,222,057 | $ | 1,222,057 |
| Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 2,700 | | 2,700 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 120 | | 120 |
| **C. Goal:** PROVIDE EDUCATION | | | | |
| To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction. | | | | |
| **C.1.1. Strategy:** LICENSEE/CONSUMER EDUCATION | $ | 470,294 | $ | 470,294 |
| Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions. | | | | |
| **Output (Volume):** | | | | |
| Number of Calls Received | | 275,000 | | 275,000 |
| **D. Goal:** LICENSING APPRAISERS | | | | |
| To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and the general public for the maintenance of high professional standards and informed consumer decisions in real estate transactions in all areas of Texas (§ 1103.156, Occupations Code). | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percent of Licensed or Certified Appraisers with No Recent Violations | | 97.7% | | 97.7% |
| Percent of Licensees Who Renew Online | | 42% | | 47% |
| Percent of New Individual Licenses Issued Online | | 0% | | 10% |
| Percent of Documented Complaints Resolved Within Six Months | | 60% | | 60% |
| **D.1.1. Strategy:** TALCB LICENSING | $ | 339,829 | $ | 361,479 |
| Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification. | | | | |
| **Output (Volume):** | | | | |
| Number of New Licenses and Certifications Issued to Individuals | | 261 | | 261 |
| Number of Licenses and Certifications Renewed (Individuals) | | 1,614 | | 1,614 |

## REAL ESTATE COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **D.2.1. Strategy:** TALCB ENFORCEMENT | $ | 113,822 | $ | 113,822 |
| Investigate and resolve complaints, imposing penalties when appropriate. | | | | |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 85 | | 85 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 136 | | 136 |
| **Total, Goal D:** LICENSING APPRAISERS | $ | 453,651 | $ | 475,301 |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** INDIRECT ADMINISTRATION | $ | 1,175,940 | $ | 1,175,940 |
| **Grand Total,** REAL ESTATE COMMISSION | $ | 4,376,266 | $ | 4,397,916 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 4,082,638 | $ | 4,083,288 |
| GR Dedicated - Appraiser Registry Account No. 028 | | 99,000 | | 120,000 |
| Other Funds | | | | |
| Appropriated Receipts | | 190,628 | | 190,628 |
| Real Estate Recovery Trust Fund | | 3,500 | | 3,500 |
| Real Estate Inspection Trust Fund | | 500 | | 500 |
| Subtotal, Other Funds | $ | 194,628 | $ | 194,628 |
| **Total, Method of Financing** | $ | 4,376,266 | $ | 4,397,916 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 972,767 | $ | 988,207 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 79.0 | | 79.0 |
| **Schedule of Exempt Positions:** | | | | |
| Administrator, Group 2 | | $70,000 | | $70,000 |
| Per Diem of TREC Commission Members | | 7,500 | | 7,500 |
| Per Diem of TALCB Board Members | | 9,720 | | 9,720 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 2,880,317 | $ | 2,880,317 |
| Other Personnel Costs | | 177,499 | | 177,699 |
| Operating Costs | | 1,312,200 | | 1,333,650 |
| Professional Fees and Services | | 6,250 | | 6,250 |
| **Total, Object-of-Expense Informational Listing** | $ | 4,376,266 | $ | 4,397,916 |

1. **Appropriation of Residential Service Company Examination Fees.** In addition to the funds appropriated above ($5,500 each year of the biennium), all monies collected pursuant to § 1303.052 (c), Occupations Code, are hereby appropriated to the Texas Real Estate Commission for the purposes of conducting examinations and related activities included within Strategy B.1.1, TREC Investigation.

2. **Reporting Requirement.** In its annual report, the Real Estate Commission shall provide a schedule showing a breakdown of the number of broker and salesman license renewals and the amount of funds transferred to the Real Estate Research Center.

## REAL ESTATE COMMISSION
(Continued)

3. **Appropriation of Receipts, National Registry Fees.** All fee revenue deposited to the Appraiser Registry Account No. 028, in the General Revenue Fund pursuant to § 1103.156, Occupations Code, including the estimated amounts appropriated above, $99,000 in fiscal year 2004 and $120,000 in fiscal year 2005, is hereby appropriated to the Texas Appraiser Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission. The appropriation made herein shall be expended only for the purpose specified in § 1103.156, Occupations Code, relating to revenue transmitted to the federal Appraisal Subcommittee.

4. **Real Estate Recovery Fund and Inspection Recovery Fund.** The amounts appropriated above include an estimated $4,000 per year from the Real Estate Recovery Trust Fund and the Real Estate Inspection Trust Fund to recover travel and related expenses incurred for collection of court judgments affecting the funds.

5. **Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the broker members of the Real Estate Broker-Lawyer Advisory Committee and the Real Estate Inspector Committee.

6. **Promotion of On-line Services.** It is the intent of the Legislature that the Texas Real Estate Commission print, in at least 13 point font, a notice on any form with an on-line alternative that such services are available on the Internet, listing the website address.

## SECURITIES BOARD

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** PROTECT INVESTORS<br>To protect investors from fraud and misrepresentation; to assure that access to capital is available to business. | | |
| **Outcome (Results/Impact):** | | |
| Number of Enforcement Actions Taken | 302 | 302 |
| Percentage of Enforcement Actions Successful | 100% | 100% |
| Percentage of Texas Dealers Inspected | 14.1% | 14.1% |
| Percentage of Inspected Dealers Found Out of Compliance | 30% | 30% |
| **A.1.1. Strategy:** LAW ENFORCEMENT<br>Aggressively investigate suspected violations of the Texas Securities Act and work closely with local, state, and federal prosecutors and law enforcement officials to insure that appropriate enforcement action is taken, including the criminal referral, indictment, and conviction of individuals who violate the provisions of the Act. | $ 1,488,911 | $ 1,488,911 |
| **Output (Volume):** | | |
| Number of Investigations Opened | 212 | 212 |
| **Efficiencies:** | | |
| Average Cost of Enforcement Actions | 4,930 | 4,930 |
| **A.2.1. Strategy:** SECURITIES REGISTRATION<br>Perform a comprehensive, timely, and responsive review of the prospectus and related documentation submitted with securities registration applications. Negotiate with the issuer or its representatives to remove unfair | $ 304,191 | $ 304,191 |

| | | | | |
|---|---|---|---|---|
| elements from offerings, to insert safeguards for the public, and to assure full disclosure of material considerations to facilitate the registration of offerings. Refer suspected fraudulent offerings to enforcement personnel. | | | | |
| **Output (Volume):** | | | | |
| Number of Securities Applications Processed | | 34,050 | | 34,050 |
| **A.3.1. Strategy:** DEALER REGISTRATION | $ | 272,623 | $ | 272,623 |
| Perform an extensive, timely, and responsive review of applications; conduct criminal and disciplinary investigation of applicants by contacting other law enforcement and regulatory organizations; ensure compliance with examination requirements; and oppose registration of unqualified applicants. | | | | |
| **Output (Volume):** | | | | |
| Number of New Applications Reviewed | | 62,859 | | 62,859 |
| **Explanatory:** | | | | |
| Number of Dealers/Agents Registered | | 165,000 | | 165,000 |
| **A.4.1. Strategy:** INSPECT DEALER RECORDS | $ | 612,381 | $ | 612,381 |
| Perform a comprehensive inspection of records to ensure continuing compliance with statutory and rule requirements. | | | | |
| **Output (Volume):** | | | | |
| Number of Inspections Conducted | | 240 | | 240 |
| **Efficiencies:** | | | | |
| Average Cost Per Inspection | | 2,551 | | 2,551 |
| **Total, Goal A:** PROTECT INVESTORS | $ | 2,678,106 | $ | 2,678,106 |
| **B. Goal:** INDIRECT ADMINISTRATION | | | | |
| **B.1.1. Strategy:** INDIRECT ADMIN & SUPPORT COSTS | $ | 851,908 | $ | 851,908 |
| Indirect administration and support costs. | | | | |
| **Grand Total,** SECURITIES BOARD | $ | 3,530,014 | $ | 3,530,014 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 66.9 | | 66.9 |
| **Number of FTEs in Riders:** | | 27.0 | | 27.0 |
| **Schedule of Exempt Positions:** | | | | |
| Securities Commissioner, Group 3 | | $90,000 | | $90,000 |
| Per Diem of Board Members | | 1,290 | | 1,290 |
| **Supplemental Appropriations Made in Riders:** | $ | 1,675,316 | $ | 1,798,016 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 4,384,586 | $ | 4,553,286 |
| Other Personnel Costs | | 57,000 | | 57,000 |
| Operating Costs | | 763,744 | | 717,744 |
| **Total, Object-of-Expense Informational Listing** | $ | 5,205,330 | $ | 5,328,030 |

1. **Donations for Personal Financial Literacy Educational Materials.** The State Securities Board is hereby authorized to accept and expend donations from nonprofit foundations for the sole purpose of reproducing and distributing educational materials relating to "personal financial literacy" and introducing those materials to classroom teachers in Texas schools.

2. **Contingency Appropriation for House Bill 1840.** Contingent upon enactment of House Bill 1840 by the Seventy-eighth Legislature, Regular Session, or similar legislation relating to the

fees established by the State Securities Board, the State Securities Board is hereby appropriated $1,675,316 for fiscal year 2004 and $1,798,016 for fiscal year 2005 out of additional revenues collected and certified by the Comptroller of Public Accounts pursuant to House Bill 1840 for the purpose of implementing that Act, and the"Number of Full-Time-Equivalent Positions (FTE)" figure for the State Securities Board is hereby increased by no more than 27 for fiscal year 2004 and 27 for fiscal year 2005. In no event shall the amount expended out of appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 1840.

## BOARD OF TAX PROFESSIONAL EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** ESTABLISH AND OVERSEE PROCESS<br>To ensure the State is served by qualified, certified and ethical property tax professionals. | | |
| **Outcome (Results/Impact):** | | |
| Percent of Licensees with No Recent Violations | 99% | 99% |
| Number of Approved Courses Presented | 120 | 120 |
| Percent of Licensees Who Renew Online | 10% | 15% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| Percent of Complaints Resulting in Disciplinary Action | 20% | 20% |
| **A.1.1. Strategy:** CERTIFICATION PROGRAM<br>Manage a certification program by conducting exams, registering eligible individuals, administering a continuing education program and distributing information to local officials and registrants. | $ 145,818 | $ 145,818 |
| **Output (Volume):** | | |
| Number of Persons Certified/Recertified | 400 | 400 |
| Number of New Licenses Issued to Individuals | 350 | 350 |
| Number of Complaints Resolved | 9 | 9 |
| Number of Course, Sponsor and Instructor Applications Processed | 20 | 20 |
| **Efficiencies:** | | |
| Average Licensing Cost per Individual License Issued | 35 | 35 |
| **Explanatory:** | | |
| Total Number of Individuals Licensed | 4,000 | 4,000 |
| **Grand Total,** BOARD OF TAX PROFESSIONAL EXAMINERS | $ 145,818 | $ 145,818 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 78,197 | $ 79,738 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 4.0 | 4.0 |
| **Schedule of Exempt Positions:** | | |
| Executive Director, Group 1 | $52,000 | $52,000 |
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 129,800 | $ 131,800 |
| Other Personnel Costs | 1,220 | 1,220 |

## BOARD OF TAX PROFESSIONAL EXAMINERS
(Continued)

| | | |
|---|---|---|
| Operating Costs | 13,598 | 12,798 |
| Capital Expenditures | 1,200 | 0 |
| **Total, Object-of-Expense Informational Listing** | $ 145,818 | $ 145,818 |

1. **Fees Established.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2004 and 2005, pursuant to provisions of Government Code § 316.041-316.045:

   (1) Registration Fee — Not Less Than $45 or More Than $75
   (2) Annual Renewal Fee — Not Less Than $45 or More Than $75

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Board of Tax Professional Examiners are made contingent on the continuation of the Board of Tax Professional Examiners by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

## PUBLIC UTILITY COMMISSION OF TEXAS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** COMPETITION/CHOICE/RATES/SERVICE To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and technological advancement in the electric and telecommunications industries. | | |
| **Outcome (Results/Impact):** | | |
| Average Price of Electricity Per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average | 99.5% | 98% |
| Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average | 149.9% | 149.9% |
| Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers | 66% | 67% |
| Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average | 76.4% | 76.6% |
| **A.1.1. Strategy:** MARKET COMPETITION Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, including market design, market power, abusive conduct, and develop policies to enhance effectiveness of competition and benefits for customers; and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets. | $ 5,839,419 | $ 5,839,419 |
| **Output (Volume):** | | |
| Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Electric Market | 7 | 10 |

| | | | | |
|---|---|---|---|---|
| Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Telephone Market | | 3 | | 3 |
| Number of Cases Completed Related to Competition Among Providers | | 500 | | 500 |
| **Efficiencies:** | | | | |
| Average Number of Days to Process an Application for a Certificate of Authority for a Local Telecommunications Provider | | 60 | | 60 |
| **A.2.1. Strategy:** UTILITY REGULATION | $ | 2,739,009 | $ | 2,739,009 |
| Conduct rate cases for regulated telephone and electric utilities under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service; administer agency rules relating to quality of service. | | | | |
| **Output (Volume):** | | | | |
| Number of Rate Cases Completed for Regulated Electric Utilities | | 13 | | 13 |
| Number of Rate Cases Completed for Regulated Telecom Providers | | 4 | | 4 |
| **Efficiencies:** | | | | |
| Average Number of Days to Process a Rate Case for a Regulated Electric Utility | | 240 | | 240 |
| **Total, Goal A:** COMPETITION/CHOICE/RATES/SERVICE | $ | 8,578,428 | $ | 8,578,428 |
| **B. Goal:** EDUCATION AND COMPLIANCE | | | | |
| To serve the public by distributing customer education information, administering customer service programs, ensuring compliance with relevant laws and regulations, and assisting customers in resolving disputes concerning electric and telecommunications services. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process | | 97% | | 97% |
| **B.1.1. Strategy:** PROVIDE INFO ABOUT CHANGES | $ | 1,633,794 | $ | 1,633,794 |
| Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities. | | | | |
| **Output (Volume):** | | | | |
| Number of Information Requests to Which Responses Were Provided | | 85,000 | | 85,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Customer Information Product Distributed | | 1.8 | | 1.8 |
| **Explanatory:** | | | | |
| Number of Calls Completed through Relay Texas | | 4,659,425 | | 4,659,425 |
| **B.2.1. Strategy:** INVESTIGATIONS AND ENFORCEMENT | $ | 1,441,583 | $ | 1,441,583 |
| Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, Public Utility Commission rules and orders. Investigate emerging issues based on customer complaints. | | | | |

| | | | | |
|---|---|---|---|---|
| **Output (Volume):** | | | | |
| Number of Utilities for Which a Detailed Review of Earnings Is Conducted | | 5 | | 5 |
| Number of Compliance Investigations Conducted | | 100 | | 100 |
| Number of Customer Complaints Concluded | | 30,000 | | 30,000 |
| **Efficiencies:** | | | | |
| Average Cost Per Compliance Investigation Conducted | | 850 | | 850 |
| Average Number of Days to Conclude Customer Complaints | | 48 | | 48 |
| **Total, Goal B:** EDUCATION AND COMPLIANCE | $ | 3,075,377 | $ | 3,075,377 |
| **C. Goal:** ELECTRIC UTILITY RESTRUCTURING | | | | |
| Administer special programs for energy assistance to low-income Texans, for customer education information in regions subject to electric competition (nontransferable). | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Change in Customer Knowledge Resulting from the Education Campaign for Electric Competition, Choices and Resources | | 35% | | 35% |
| Percent of Eligible Low-income Customers Provided a Discount for Electric Service | | 99% | | 99% |
| **C.1.1. Strategy:** ENERGY ASSISTANCE | $ | 97,129,705 | $ | 117,504,085 |
| Reimburse retail electric providers from the System Benefit Trust Fund for electric service billing discounts; administer a third party database of eligible participants for the billing discounts. | | | | |
| **Efficiencies:** | | | | |
| Average Number of Days for Retail Electric Provider Reimbursement | | 5 | | 5 |
| **D. Goal:** ENERGY EFFICIENCY GRANTS | | | | |
| To implement an energy-efficiency grant program as part of a multi-agency program to reduce air emissions in areas of the state where federal clean-air standards are not being met or are at risk of not being met. | | | | |
| **D.1.1. Strategy:** ENERGY EFFICIENCY GRANTS | $ | 1,765,665 | $ | 1,800,810 |
| Award energy efficiency grants and monitor performance of grantees; prepare reports. | | | | |
| **Output (Volume):** | | | | |
| Number of Grants Awarded to Utilities for Energy Efficiency Programs | | 5 | | 5 |
| **Efficiencies:** | | | | |
| Average Number of Days To Award Utilities Energy Efficiency Grants | | 20 | | 20 |
| **E. Goal:** INDIRECT ADMINISTRATION | | | | |
| **E.1.1. Strategy:** CENTRAL ADMINISTRATION | $ | 808,324 | $ | 808,324 |
| **E.1.2. Strategy:** INFORMATION RESOURCES | $ | 605,150 | $ | 605,150 |
| **E.1.3. Strategy:** OTHER SUPPORT SERVICES | $ | 426,008 | $ | 426,008 |
| **Total, Goal E:** INDIRECT ADMINISTRATION | $ | 1,839,482 | $ | 1,839,482 |
| **Grand Total,** PUBLIC UTILITY COMMISSION OF TEXAS | $ | 112,388,657 | $ | 132,798,182 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 10,242,444 | $ | 10,242,444 |
| GR Dedicated - Texas Emissions Reduction Plan Account No. 5071 | | 1,765,665 | | 1,800,810 |

## PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

| | | | | |
|---|---|---|---|---|
| Other Funds | | | | |
| Appropriated Receipts | | 375,000 | | 375,000 |
| System Benefit Trust Fund | | 100,005,548 | | 120,379,928 |
| Subtotal, Other Funds | $ | 100,380,548 | $ | 120,754,928 |
| **Total, Method of Financing** | $ | 112,388,657 | $ | 132,798,182 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 210.9 | | 210.9 |
| **Schedule of Exempt Positions:** | | | | |
| Commission Chairman, Group 4 | | $111,800 | | $111,800 |
| Commissioners, Group 4 | | (2) 109,200 | | (2) 109,200 |
| Executive Director, Group 4 | | 92,000 | | 92,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 10,001,315 | $ | 10,062,893 |
| Other Personnel Costs | | 260,001 | | 260,001 |
| Operating Costs | | 3,456,971 | | 3,380,394 |
| Client Services | | 96,679,705 | | 117,054,085 |
| Grants | | 1,550,665 | | 1,585,810 |
| Capital Expenditures | | 440,000 | | 454,999 |
| **Total, Object-of-Expense Informational Listing** | $ | 112,388,657 | $ | 132,798,182 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

| | | 2004 | | 2005 |
|---|---|---|---|---|
| Out of the General Revenue Fund: | | | | |
| a. Acquisition of Information Resource Technologies | | | | |
| (1) Digital Copiers Lease | $ | 220,000 | $ | 220,000 |
| (2) Desktop Computer Lease and Microsoft Open License Software Lease (MS Office 2000, MS SQL Server, MS BACK Office, MS Exchange) | | 220,000 | | 204,999 |
| Total, Capital Budget | $ | 440,000 | $ | 424,999 |

2. **Appropriation of Receipts, Electronic Information System.** Out of Appropriated Receipts appropriated above, $35,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments; and for service agreements limited to PUC interchange support.

## PUBLIC UTILITY COMMISSION OF TEXAS
(Continued)

3. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the following advisory committee: Relay Texas Advisory Committee.

4. **Transfer Authority.** The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each strategy of Goal C: Electric Utility Restructuring.

5. **System Benefit Trust Fund Reporting.** The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the System Benefit Trust Fund. The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.

6. **Appropriation of Unexpended Balances: 2004 Appropriations.** The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 2004, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, 2005.

7. **Contingent Revenue.** Of the amounts appropriated to the Public Utility Commission from the System Benefit Trust Fund, the estimated amounts of $100,005,548 in fiscal year 2004 and $120,379,928 in fiscal year 2005 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Trust Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004–05 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

8. **Allocation of System Benefit Trust Fund.** The System Benefit Trust Fund, calculated at the maximum statutory assessment rate estimated to be $166,130,408 in fiscal year 2004 and $213,435,225 in fiscal year 2005, has been allocated throughout this Act as follows: The estimated balance as of August 31, 2003 is $21,712,446, interest income is estimated to be $6,203,958 for the biennium. The total fund balance available for appropriation for 2004–05 is estimated to be $407,482,037.

| | 2004 | 2005 |
|---|---|---|
| Public Utility Commission: | | |
| Administration | $ 2,875,843 | $ 2,875,843 |
| 10 Percent Low Income Discount | 97,129,705 | 117,504,085 |
| Office of Public Utility Counsel: | | |
| Administration | $ 288,138 | $ 288,138 |
| Total | $ 100,293,686 | $ 120,668,066 |

## OFFICE OF PUBLIC UTILITY COUNSEL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** EQUITABLE ELECTRIC RATES | | |
| To represent residential and small business consumers aggressively in electric utility matters to ensure that residential and small commercial customers benefit from competition and are protected during the transition to a more competitive market. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of OPUC Electric Proceedings That Are Competition Related | 74% | 74% |
| **A.1.1. Strategy:** PARTICIPATION IN PROCEEDINGS | $ 1,266,111 | $ 1,266,111 |
| Participate in electric proceedings involving competitive and customer protection issues or impacting consumer's bills. | | |
| **Output (Volume):** | | |
| Number of Electric Cases in Which OPUC Participates | 45 | 45 |
| Number of Electric Projects in Which OPUC Participates | 15 | 15 |
| **Efficiencies:** | | |
| Average Cost Per Electric Proceeding in Which OPUC Participates | 12,000 | 12,000 |
| **B. Goal:** TELEPHONE COMPETITION | | |
| To represent residential and small business consumers aggressively by providing comprehensive telecommunications analysis and representation at the Public Utility Commission, the FCC, and in state and federal courts to ensure that residential and small commercial consumers benefit from competition and are protected during the transition to a more competitive market. | | |
| **Outcome (Results/Impact):** | | |
| Percent of OPUC Telecommunications Proceedings That Are Competition Related | 67% | 67% |
| **B.1.1. Strategy:** TELECOMMUNICATIONS PROCEEDINGS | $ 481,689 | $ 481,689 |
| Participate in telecommunications proceedings involving competitive issues/consumer safeguards or new and/or advanced technologies and services. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting residential and small business telecommunications customers. | | |
| **Output (Volume):** | | |
| Number of Telecommunications Cases in Which OPUC Participates | 6 | 6 |
| Number of Telecommunications Projects in Which OPUC Participates | 21 | 21 |
| **Efficiencies:** | | |
| Average Cost Per Telecommunications Proceeding in Which OPUC Participates | 4,000 | 4,000 |
| **Grand Total,** OFFICE OF PUBLIC UTILITY COUNSEL | $ 1,747,800 | $ 1,747,800 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 1,459,662 | $ 1,459,662 |
| System Benefit Trust Fund | 288,138 | 288,138 |
| **Total, Method of Financing** | $ 1,747,800 | $ 1,747,800 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 23.0 | 23.0 |
| **Schedule of Exempt Positions:** | | |
| Public Counsel, Group 2 | $83,000 | $83,000 |

## OFFICE OF PUBLIC UTILITY COUNSEL
(Continued)

| | | |
|---|---|---|
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 1,249,861 | $ 1,249,861 |
| Other Personnel Costs | 20,000 | 20,000 |
| Operating Costs | 49,405 | 49,405 |
| Professional Fees and Services | 301,866 | 301,866 |
| Consumable Supplies | 15,300 | 15,300 |
| Utilities | 400 | 400 |
| Travel | 3,840 | 3,840 |
| Rent - Building | 5,720 | 5,720 |
| Rent - Machine and Other | 39,021 | 39,021 |
| Other Operating Expense | 62,387 | 62,387 |
| **Total, Object-of-Expense Informational Listing** | $ 1,747,800 | $ 1,747,800 |

1. **Unexpended Balance Authority.** The unobligated and unexpended balances of appropriations to the Office of Public Utility Counsel for the fiscal year ending August 31, 2004, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2005.

2. **Contingent Revenue.** Of the amounts appropriated above to the Office of Public Utility Counsel from the System Benefit Trust Fund, the amounts of $288,138 in fiscal year 2004 and $288,138 in fiscal year 2005 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Trust Fund. The Public Utility Commission, upon completion of necessary actions for assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004–05 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

## BOARD OF VETERINARY MEDICAL EXAMINERS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** VETERINARY REGULATION<br>To establish and implement reasonable standards for veterinary practice, investigate complaints, and enforce Chapter 801, Texas Occupations Code to assure that safe and effective veterinary services are delivered to the citizens of Texas. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Licensees with No Recent Violations | 98.59% | 98.59% |
| Percent of Licensees Who Renew Online | 15.8% | 20.8% |
| Percent of New Individual Licenses Issued Online | 0% | 10% |
| Percentage of Complaints Resulting in Disciplinary Action | 17% | 17% |
| Recidivism Rate for Peer Assistance Programs | 0% | 0% |
| **A.1.1. Strategy:** OPERATE LICENSURE SYSTEM<br>Operate an efficient and comprehensive veterinary licensure program to include initial licensure by examination and the ongoing renewal of licenses. | $ 144,253 | $ 144,253 |
| **Output (Volume):** | | |
| Number of New Licenses Issued to Individuals | 282 | 282 |
| Number of Licenses Renewed (Individuals) | 6,139 | 6,139 |
| **Efficiencies:** | | |
| Average Licensing Cost per Individual License Issued | 4.82 | 4.82 |

## BOARD OF VETERINARY MEDICAL EXAMINERS
(Continued)

| | | | | |
|---|---|---|---|---|
| **A.2.1. Strategy:** COMPLAINTS AND ACTION<br>Investigate all complaints received and take disciplinary action against veterinarians who have violated the law and/or board rules and conduct a compliance program to secure voluntary compliance with the law and board rules. | $ | 403,694 | $ | 403,694 |
| **Output (Volume):** | | | | |
| Number of Complaints Resolved | | 306 | | 306 |
| **Efficiencies:** | | | | |
| Average Time for Complaint Resolution (Days) | | 160 | | 160 |
| **Explanatory:** | | | | |
| Number of Jurisdictional Complaints Received | | 286 | | 299 |
| **A.2.2. Strategy:** PEER ASSISTANCE<br>Identify, refer and assist those veterinarians whose practice is impaired. | $ | 15,000 | $ | 15,000 |
| **Output (Volume):** | | | | |
| Number of Licensed Individuals Participating in a Peer Assistance Program | | 10 | | 10 |
| **Total, Goal A:** VETERINARY REGULATION | $ | 562,947 | $ | 562,947 |
| **Grand Total,** BOARD OF VETERINARY MEDICAL EXAMINERS | $ | 562,947 | $ | 562,947 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 562,447 | $ | 562,447 |
| Appropriated Receipts | | 500 | | 500 |
| **Total, Method of Financing** | $ | 562,947 | $ | 562,947 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ | 161,277 | $ | 162,797 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 10.8 | | 10.8 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 1 | | $60,000 | | $60,000 |
| Per Diem of Board Members | | 8,500 | | 8,500 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 441,441 | $ | 441,441 |
| Other Personnel Costs | | 13,080 | | 13,080 |
| Professional Fees and Services | | 26,700 | | 26,700 |
| Consumable Supplies | | 3,000 | | 3,000 |
| Utilities | | 2,373 | | 2,373 |
| Travel | | 17,900 | | 17,900 |
| Rent - Building | | 240 | | 240 |
| Rent - Machine and Other | | 800 | | 800 |
| Other Operating Expense | | 57,413 | | 57,413 |
| **Total, Object-of-Expense Informational Listing** | $ | 562,947 | $ | 562,947 |

1. **Appropriation: Peer Assistance Program Penalties.** The amounts appropriated above in A.2.2. Strategy: Peer Assistance include $6,000 per year from all administrative penalties generated pursuant to Occupations Code. § 801.451 Any additional penalties are hereby appropriated to the Board of Veterinary Medical Examiners for the purpose of financing the Peer Assistance program, as defined in the Health and Safety Code, Chapter 467.

## WORKERS' COMPENSATION COMMISSION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SAFE AND HEALTHY WORK PLACES | | |
| To promote safe and healthy workplaces. | | |
| **Outcome (Results/Impact):** | | |
| Statewide Incidence Rate of Injuries and Illnesses per 100 Full-time Employees | 4.7 | 4.7 |
| **A.1.1. Strategy:** HEALTH AND SAFETY SERVICES | $ 4,362,939 | $ 4,371,570 |
| Develop and provide health and safety services (e.g. needs analyses, education, consultations, investigations and inspections) to employers, employees, academic institutions, and other entities in the Texas workplace. | | |
| **Output (Volume):** | | |
| Number of Inspections, Consultations and Investigations Provided to Employers | 3,100 | 3,100 |
| **Efficiencies:** | | |
| Average Cost per Consultation/inspection/investigation | 798 | 798 |
| **B. Goal:** BENEFITS AND DELIVERY | | |
| To ensure the cost effective delivery of appropriate benefits. | | |
| **Outcome (Results/Impact):** | | |
| Average Number of Days for the Required Initial Benefit Payment to Be Issued after Benefits Begin to Accrue | 9 | 8.8 |
| Percentage of Documents Received and Maintained Electronically by the Commission | 75% | 76% |
| **B.1.1. Strategy:** MEDICAL COST CONTAINMENT | $ 2,965,083 | $ 2,932,465 |
| Establish and maintain rules, guidelines, and programs (e.g., doctor monitoring, healthcare delivery networks, general education on medical rules and processes, and approved doctors list/designated doctors list training and certification) that ensure appropriate utilization of medical services and quality of medical providers. | | |
| **Output (Volume):** | | |
| Number of Quality of Care Audits for Healthcare Providers Completed | 28 | 30 |
| Number of Quality of Care Audits for Insurance Carriers | 8 | 10 |
| **B.2.1. Strategy:** INVESTIGATIONS/COMPLIANCE | $ 2,822,410 | $ 2,826,251 |
| Monitor and enforce compliance of health care providers, insurance carriers, employees, employers, attorneys, and other participants with the statute and rules through audits, fraud investigations and administrative violation referral reviews and take appropriate enforcement action. | | |
| **Output (Volume):** | | |
| Number of Fraud Investigations Completed | 586 | 586 |
| **B.3.1. Strategy:** DEVELOP AND IMPLEMENT PROCESSES | $ 10,458,639 | $ 10,479,197 |
| Develop and implement processes to receive, provide, and maintain information in an electronic format. | | |
| **Output (Volume):** | | |
| Number of Injury Records Created | 202,000 | 204,000 |
| Number of Injury Records Created for Income/Indemnity Injuries | 102,550 | 105,576 |
| **Explanatory:** | | |
| Estimated Percentage of Employers Reported Participating in the Workers' Compensation System | 68% | 68% |
| **B.4.1. Strategy:** REGULATE SELF-INSURANCE | $ 679,644 | $ 677,993 |
| Ensure that certified self-insuring employers | | |

| | | | | |
|---|---|---|---|---|
| meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification. | | | | |
| **Output (Volume):** | | | | |
| Number of Self-insurance Applicants or Renewals Certified | | 53 | | 54 |
| **Total, Goal B:** BENEFITS AND DELIVERY | $ | 16,925,776 | $ | 16,915,906 |
| **C. Goal:** DISPUTE RESOLUTION | | | | |
| To minimize and resolve disputes. | | | | |
| **Outcome (Results/Impact):** | | | | |
| Percentage of Benefit Dispute Cases Resolved by the Commission's Informal Dispute Resolution System | | 87% | | 87% |
| Percentage of Medical Benefit Dispute Cases Resolved by Initial Administrative Decision | | 65% | | 65% |
| Average Number of Days to Resolve Benefit Dispute | | 45 | | 45 |
| Percent of Appeals to Medical Fee Disputes Resolved Prior to a Formal Hearing at SOAH | | 78% | | 78% |
| **C.1.1. Strategy:** INFORMAL RESOLUTION | $ | 15,293,358 | $ | 15,323,654 |
| Provide injured workers, employers and insurance carriers with information about their rights and responsibilities, minimize and resolve benefit and medical disputes as informally as possible by talking with the participants, conduct compensation benefit review conferences; conduct medical dispute resolution reviews (including reviews by Independent Review Organizations). | | | | |
| **Output (Volume):** | | | | |
| Number of Compensation Benefit Dispute Cases Concluded in Benefit Review Conference | | 20,000 | | 20,000 |
| Number of Persons Receiving Return-to-Work Training Products and Services | | 11,913 | | 12,394 |
| Number of Medical Benefit Dispute Cases Resolved by Initial Administrative Decision | | 5,801 | | 6,169 |
| **Efficiencies:** | | | | |
| Average Number of Days from the Request for Benefit Review Conference to the Conclusion of the Benefit Review Conference | | 78 | | 78 |
| Average Number of Paraticipants Per Return to Work Seminar | | 65 | | 68 |
| Average Number of Days to Conclude Medical Dispute Cases by Initial Administrative Decisions | | 152 | | 168 |
| **C.1.2. Strategy:** FORMAL RESOLUTION | $ | 9,920,956 | $ | 9,933,606 |
| Conduct benefit contested case hearings, conduct reviews when participants appeal decisions made by benefit contested case hearings officers, and provide arbitration; and process hearings under the Administrative Procedure Act. | | | | |
| **Output (Volume):** | | | | |
| Number of Compensation Benefit Dispute Cases Concluded in Contested Case Hearings | | 6,800 | | 6,800 |

## WORKERS' COMPENSATION COMMISSION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Efficiencies:** | | | | |
| Average Number of Days from the Request for a Contested Case Hearing to the Distribution of the Decision | | 78 | | 78 |
| **Total, Goal C:** DISPUTE RESOLUTION | $ | 25,214,314 | $ | 25,257,260 |
| **Grand Total,** WORKERS' COMPENSATION COMMISSION | $ | 46,503,029 | $ | 46,544,736 |
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 43,200,117 | $ | 43,234,757 |
| Federal Funds | | 2,022,758 | | 2,022,758 |
| Other Funds | $ | 1,280,154 | $ | 1,287,221 |
| **Total, Method of Financing** | $ | 46,503,029 | $ | 46,544,736 |
| **Number of Full-Time-Equivalent Positions (FTE):** | | 1,050.0 | | 1,050.0 |
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 4 | | $112,000 | | $112,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 32,902,957 | $ | 32,902,562 |
| Other Personnel Costs | | 1,718,211 | | 1,794,682 |
| Professional Fees and Services | | 2,224,870 | | 2,250,647 |
| Consumable Supplies | | 387,487 | | 375,462 |
| Utilities | | 1,087,238 | | 1,085,017 |
| Travel | | 703,283 | | 691,097 |
| Rent - Building | | 2,970,145 | | 3,038,576 |
| Rent - Machine and Other | | 508,669 | | 276,400 |
| Other Operating Expense | | 3,847,371 | | 4,117,439 |
| Capital Expenditures | | 152,798 | | 12,854 |
| **Total, Object-of-Expense Informational Listing** | $ | 46,503,029 | $ | 46,544,736 |

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

## WORKERS' COMPENSATION COMMISSION
(Continued)

| | 2004 | 2005 |
|---|---|---|
| Out of the General Revenue Fund: | | |
| a. Acquisition of Information Resource Technologies | | |
| (1) Network Enhancements | $ 130,072 | $ 0 |
| Total, Capital Budget | $ 130,072 | $ 0 |

2. **Appropriation of Certain Fees.** Revenues collected by the commission as reproduction fees, third party reimbursements, seminar fees, publication fees, and fees collected for audits, inspections, and consultations are estimated to be $1,280,154 for fiscal year 2004 and $1,287,221 for fiscal year 2005 and are included in the above method of financing as Appropriated Receipts.

3. **Administrative Penalties.** The amounts appropriated above in Strategy B.2.1, Investigations/Compliance, include $100,000 each year from revenues collected by the commission as administrative penalties provided that expenditure of such funds appropriated above shall be limited to such expenses as may be necessary to prosecute administrative violations under the Texas Workers' Compensation Act, including costs of conducting Administrative Procedure Act hearings.

4. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that revenues as authorized and generated by the commission cover, at a minimum, the cost of general revenue appropriations made above, as well as covering "other direct and indirect costs" associated with such general revenue appropriations. "Other direct and indirect costs" associated with such general revenue appropriations are estimated to be $10,891,119 for fiscal year 2004 and $11,068,206 for fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. The application of this provision shall be consistent with applicable statutory provisions governing the commission's assessment of tax rates and fees. When the commission sets the rate of assessment for the maintenance tax, it shall take into account a surplus or deficit produced by the tax in the preceding year and other factors as provided by § 403.003, Labor Code, Rate of Assessment.

5. **Appropriation of Unexpended Balances.** Any unexpended balances as of August 31, 2004, not to exceed 5 percent for any item of appropriation, are hereby appropriated to the Texas Workers' Compensation Commission for the same purposes for the year beginning September 1, 2004.

## RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** STUDY AND MONITOR SYSTEM<br>To conduct factual, unbiased research and professional studies, monitor the agencies and entities involved in the workers' compensation system, develop sound policy recommendations regarding regulatory or legislative changes, provide information on workers' compensation to the general public and respond to constituents' needs for assistance. | | |
| **Outcome (Results/Impact):** | | |
| Percentage of Professional Studies Completed within Schedule | 100% | 100% |
| Number of Publications Produced | 11 | 11 |
| **A.1.1. Strategy:** CONDUCT PROFESSIONAL STUDIES<br>Determine research needed relating to the workers' compensation system; collect and analyze workers' compensation data; conduct research projects relating to workers' compensation; administer research contracts and manage research projects; and conduct professional studies. | $ 804,290 | $ 804,290 |
| **Output (Volume):** | | |
| Number of Professional Studies Completed by the ROC | 11 | 11 |
| **Efficiencies:** | | |
| Average Cost Per Professional Study Completed by the ROC | 34,545 | 34,545 |
| **A.1.2. Strategy:** PROVIDE OVERSIGHT<br>Provide oversight by reviewing and analyzing Texas workers' compensation agencies and entities; evaluate legislative recommendations made by workers' compensation agencies and entities; monitor workers' compensation-related meetings of boards, commissions and legislative committees with workers' compensation responsibilities; develop legislative and regulatory recommendations; provide the public with information pertaining to the workers' compensation system; distribute professional studies and publications; and respond to constituent requests for assistance. | $ 175,000 | $ 175,000 |
| **Output (Volume):** | | |
| Number of Publications Distributed | 22,662 | 22,662 |
| **Total, Goal A:** STUDY AND MONITOR SYSTEM | $ 979,290 | $ 979,290 |
| **Grand Total,** RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION | $ 979,290 | $ 979,290 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 946,973 | $ 946,974 |
| GR Dedicated - Research and Oversight Council on Workers' Compensation Fund Account No 5016 | 32,317 | 32,316 |
| **Total, Method of Financing** | $ 979,290 | $ 979,290 |
| **Other Direct and Indirect Costs Appropriated Elsewhere in this Act** | $ 140,123 | $ 142,083 |
| **Number of Full-Time-Equivalent Positions (FTE):** | 13.0 | 13.0 |

## RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION
(Continued)

| | | | | |
|---|---|---|---|---|
| **Schedule of Exempt Positions:** | | | | |
| Executive Director, Group 2 | | $76,000 | | $76,000 |
| **Object-of-Expense Informational Listing:** | | | | |
| Salaries and Wages | $ | 629,895 | $ | 629,895 |
| Other Personnel Costs | | 13,108 | | 13,808 |
| Professional Fees and Services | | 191,774 | | 191,774 |
| Fuels and Lubricants | | 1,999 | | 1,999 |
| Consumable Supplies | | 4,200 | | 4,200 |
| Travel | | 3,800 | | 3,800 |
| Rent - Building | | 63,500 | | 63,500 |
| Rent - Machine and Other | | 3,000 | | 3,000 |
| Other Operating Expense | | 68,014 | | 67,314 |
| **Total, Object-of-Expense Informational Listing** | $ | 979,290 | $ | 979,290 |

1. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this article shall be consistent with the application of § 404.003, Labor Code, relating to the Research and Oversight Council on Workers' Compensation Maintenance Tax, and other applicable statutory provisions governing support of the agency.

2. **Unexpended Balance Authority.** Any unexpended balances of appropriations to the Research and Oversight Council on Workers' Compensation for the fiscal year ending August 31, 2004, not to exceed 20 percent or $20,000 of Strategy A.1.1, Conduct Professional Studies, are hereby appropriated to the agency for the same purposes for fiscal year ending August 31, 2005.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | | For the Years Ending August 31, 2005 | |
|---|---|---|---|---|
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated. | $ | 8,624,712 | $ | 7,985,013 |
| **A.1.2. Strategy:** GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated. | $ | 23,846,529 | $ | 24,054,611 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ | 32,471,241 | $ | 32,039,624 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ | 32,471,241 | $ | 32,039,624 |
| **Method of Financing:** | | | | |
| General Revenue Fund, estimated | $ | 22,051,335 | $ | 21,770,517 |
| General Revenue Dedicated Accounts, estimated | | 9,626,549 | | 9,496,803 |
| Federal Funds, estimated | | 362,222 | | 355,932 |
| Other Special State Funds, estimated | | 431,135 | | 416,372 |
| **Total, Method of Financing** | $ | 32,471,241 | $ | 32,039,624 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 10,529,096 | $ 10,620,416 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 1,812,372 | $ 1,719,941 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 12,341,468 | $ 12,340,357 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 12,341,468 | $ 12,340,357 |
| **Method of Financing:** | | |
| General Revenue Fund, estimated | $ 7,666,884 | $ 7,664,224 |
| General Revenue Dedicated Accounts, estimated | 4,303,798 | 4,308,416 |
| State Highway Fund No. 006, estimated | 191,460 | 191,880 |
| Federal Funds, estimated | 132,690 | 131,580 |
| Other Special State Funds, estimated | 46,636 | 44,257 |
| **Total, Method of Financing** | $ 12,341,468 | $ 12,340,357 |

## LEASE PAYMENTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** FINANCE CAPITAL PROJECTS<br>To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements. | | |
| **A.1.1. Strategy:** LEASE PAYMENTS<br>Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority. | $ 5,349,731 | $ 5,348,752 & UB |
| **Grand Total,** LEASE PAYMENTS | $ 5,349,731 | $ 5,348,752 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 2,374,806 | $ 2,375,342 |
| GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036 | 2,974,925 | 2,973,410 |
| **Total, Method of Financing** | $ 5,349,731 | $ 5,348,752 |

## SPECIAL PROVISIONS RELATING TO ALL REGULATORY AGENCIES

Sec. 2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by each of the following agencies cover, at a minimum, the cost of appropriations made above and elsewhere in this Act to those agencies as well as an amount equal to the amount identified in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in This Act." Contingent upon the continuation of the Self-directed Semi-independent Agency Project Act (Article 8930, Vernons Annotated Texas Civil Statutes) by the Seventy-eighth Legislature relating to the operation of the self-directed semi-independent agency pilot project the Board of Public Accountancy, the Board of Professional Engineers, and the Board of Architectural Examiners shall be removed from this section.

Board of Public Accountancy
Board of Architectural Examiners
Board of Barber Examiners
Board of Chiropractic Examiners
Cosmetology Commission
Credit Union Department
Board of Dental Examiners
Board of Professional Engineers
Department of Banking
Office of Consumer Credit Commissioner
Savings and Loan Department
Funeral Service Commission
Board of Professional Geoscientists
Department of Insurance
Office of Public Insurance Counsel
Board of Professional Land Surveying
Department of Licensing and Regulation
Board of Medical Examiners
Board of Nurse Examiners
Board of Vocational Nurse Examiners
Optometry Board
Structural Pest Control Board
Board of Pharmacy
Executive Council of Physical Therapy and Occupational Therapy Examiners
Board of Plumbing Examiners
Board of Podiatric Medical Examiners
Board of Examiners of Psychologists
Racing Commission
Real Estate Commission
Board of Tax Professional Examiners
Board of Veterinary Medical Examiners
Research and Oversight Council on Workers Compensation

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

Sec. 3. **Funding for Health Professions Council.** An agency participating in the Health Professions Council shall transfer funds through interagency contract to the Health Professions Council from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under Chapter 101, Occupation Code. The number of full-time-equivalent staff employed by the Council may not exceed three (3). Funds shall be transferred by the following participating agencies in the amounts noted below for each year of the 2004–05 biennium:

| | 2004 | 2005 |
|---|---|---|
| Board of Chiropractic Examiners | $ 3,218 | $ 3,523 |
| Board of Dental Examiners | 9,742 | 10,666 |
| Board of Medical Examiners | 24,239 | 26,538 |
| Board of Nurse Examiners | 16,224 | 17,762 |
| Optometry Board | 6,234 | 6,826 |
| Board of Pharmacy | 27,557 | 30,171 |
| Executive Council of Physical and Occupational Therapy Examiners | 6,014 | 6,584 |
| Board of Podiatric Medical Examiners | 2,172 | 2,378 |
| Board of Examiners of Psychologists | 8,070 | 8,836 |
| Board of Veterinary Medical Examiners | 7,669 | 8,397 |
| Funeral Service Commission | 1,897 | 1,906 |
| Board of Vocational Nurse Examiners | 11,271 | 12,348 |
| Subtotal | $ 124,307 | $ 135,935 |

The Texas Department of Health also contributes $13,465 in fiscal year 2004 and $14,741 in fiscal year 2005 to the Health Professions Council.

Sec. 4. **Peer Assistance Program Funding Requirements.** Funds collected during the biennium beginning September 1, 2003, by the Board of Pharmacy pursuant to Chapter 564, Occupation Code, and by the Board of Nurse Examiners, the Board of Vocational Nurse Examiners, the Board of Dental Examiners, and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness, are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or Chapter 564, Occupation Code as appropriate. None of the appropriations identified by this section may be expended unless each agency with a peer assistance program has on file the following current documents:

1. Request for Proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;

2. documentation for programs authorized under Chapter 467 of the Health and Safety Code that the agency's peer assistance program has been certified by the Texas Commission on Alcohol and Drug Abuse (TCADA) as meeting all TCADA criteria for peer assistance programs;

3. documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and

4. documentation that the program has been approved by the agency governing board.

## RECAPITULATION - ARTICLE VIII
## REGULATORY
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Board of Public Accountancy | $ 2,860,191 | $ 2,414,613 |
| State Office of Administrative Hearings | 2,246,741 | 2,246,741 |
| Board of Architectural Examiners | 1,591,734 | 1,604,777 |
| Board of Barber Examiners | 544,176 | 544,176 |
| Board of Chiropractic Examiners | 309,381 | 309,381 |
| Cosmetology Commission | 1,858,700 | 1,844,766 |
| Credit Union Department | 1,655,593 | 1,703,218 |
| Contingency Appropriations | 120,000 | 192,000 |
| Total | 1,775,593 | 1,895,218 |
| Texas State Board of Dental Examiners | 1,553,085 | 1,432,465 |
| Board of Professional Engineers | 1,593,900 | 1,593,900 |
| Department of Banking | 11,282,901 | 11,227,584 |
| Contingency Appropriations | 5,550,432 | 5,550,432 |
| Total | 16,833,333 | 16,778,016 |
| Office of Consumer Credit Commissioner | 3,428,283 | 3,428,283 |
| Savings and Loan Department | 2,928,656 | 2,928,656 |
| Contingency Appropriations | 2,377,500 | 2,604,100 |
| Total | 5,306,156 | 5,532,756 |
| Funeral Service Commission | 660,679 | 660,679 |
| Board of Professional Geoscientists | 473,704 | 424,203 |
| Department of Insurance | 34,508,359 | 34,483,777 |
| Office of Public Insurance Counsel | 1,013,533 | 1,013,533 |
| Board of Professional Land Surveying | 330,615 | 330,615 |
| Department of Licensing and Regulation | 7,265,948 | 7,265,948 |
| Board of Medical Examiners | 4,927,838 | 4,927,838 |
| Board of Nurse Examiners | 2,270,636 | 2,449,110 |
| Board of Vocational Nurse Examiners | 1,207,649 | 1,207,650 |
| Optometry Board | 322,901 | 322,901 |
| Structural Pest Control Board | 1,162,037 | 1,162,037 |
| Executive Council of Physical Therapy & Occupational Therapy Examiners | 754,026 | 754,026 |
| Board of Plumbing Examiners | 1,494,519 | 1,494,519 |
| Board of Podiatric Medical Examiners | 202,457 | 197,692 |
| Board of Examiners of Psychologists | 625,563 | 625,564 |
| Real Estate Commission | 4,082,638 | 4,083,288 |
| Securities Board | 3,530,014 | 3,530,014 |
| Contingency Appropriations | 1,675,316 | 1,798,016 |
| Total | 5,205,330 | 5,328,030 |
| Board of Tax Professional Examiners | 145,818 | 145,818 |
| Public Utility Commission of Texas | 10,242,444 | 10,242,444 |
| Office of Public Utility Counsel | 1,459,662 | 1,459,662 |
| Board of Veterinary Medical Examiners | 562,447 | 562,447 |
| Workers' Compensation Commission | 43,200,117 | 43,234,757 |
| Research and Oversight Council on Workers' Compensation | 946,973 | 946,974 |
| Subtotal, Regulatory | $ 162,967,166 | $ 162,948,604 |

## RECAPITULATION - ARTICLE VIII
## REGULATORY
## (General Revenue)
(Continued)

| | | | | |
|---|---|---|---|---|
| Retirement and Group Insurance | | 22,051,335 | | 21,770,517 |
| Social Security and Benefit Replacement Pay | | 7,666,884 | | 7,664,224 |
| Subtotal, Employee Benefits | $ | 29,718,219 | $ | 29,434,741 |
| Lease Payments | | 2,374,806 | | 2,375,342 |
| TOTAL, ARTICLE VIII - REGULATORY | $ | 195,060,191 | $ | 194,758,687 |

## RECAPITULATION - ARTICLE VIII
## REGULATORY
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Insurance | $ 17,533,349 | $ 17,521,931 |
| Board of Pharmacy | 2,968,572 | 3,285,571 |
| Racing Commission | 9,328,234 | 9,329,234 |
| Real Estate Commission | 99,000 | 120,000 |
| Public Utility Commission of Texas | 1,765,665 | 1,800,810 |
| Research and Oversight Council on Workers' Compensation | 32,317 | 32,316 |
| Subtotal, Regulatory | $ 31,727,137 | $ 32,089,862 |
| Retirement and Group Insurance | 9,626,549 | 9,496,803 |
| Social Security and Benefit Replacement Pay | 4,303,798 | 4,308,416 |
| Subtotal, Employee Benefits | $ 13,930,347 | $ 13,805,219 |
| Lease Payments | 2,974,925 | 2,973,410 |
| TOTAL, ARTICLE VIII - REGULATORY | $ 48,632,409 | $ 48,868,491 |

## RECAPITULATION - ARTICLE VIII
## REGULATORY
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Department of Banking | $ 58,005 | $ 58,005 |
| Structural Pest Control Board | 150,000 | 150,000 |
| Workers' Compensation Commission | 2,022,758 | 2,022,758 |
| Subtotal, Regulatory | $ 2,230,763 | $ 2,230,763 |
| Retirement and Group Insurance | 362,222 | 355,932 |
| Social Security and Benefit Replacement Pay | 132,690 | 131,580 |
| Subtotal, Employee Benefits | $ 494,912 | $ 487,512 |
| TOTAL, ARTICLE VIII - REGULATORY | $ 2,725,675 | $ 2,718,275 |

# RECAPITULATION - ARTICLE VIII
# REGULATORY
# (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Board of Public Accountancy | $ 50,000 | $ 50,000 |
| State Office of Administrative Hearings | 4,461,566 | 4,461,566 |
| Board of Architectural Examiners | 10,054 | 10,054 |
| Board of Barber Examiners | 37,500 | 37,500 |
| Board of Chiropractic Examiners | 13,007 | 13,007 |
| Cosmetology Commission | 315,000 | 315,000 |
| Board of Professional Engineers | 8,700 | 8,700 |
| Department of Banking | 6,100 | 6,100 |
| Rider Appropriations | 5,000 | 5,000 |
| Total | 11,100 | 11,100 |
| Funeral Service Commission | 5,000 | 5,000 |
| Department of Insurance | 337,031 | 337,031 |
| Department of Licensing and Regulation | 139,268 | 139,268 |
| Board of Medical Examiners | 145,000 | 145,000 |
| Board of Nurse Examiners | 643,000 | 643,000 |
| Board of Vocational Nurse Examiners | 30,100 | 30,100 |
| Optometry Board | 33,824 | 33,824 |
| Structural Pest Control Board | 600 | 600 |
| Executive Council of Physical Therapy & Occupational Therapy Examiners | 25,000 | 25,000 |
| Board of Plumbing Examiners | 10,000 | 10,000 |
| Board of Podiatric Medical Examiners | 3,200 | 3,200 |
| Board of Examiners of Psychologists | 65,000 | 65,000 |
| Real Estate Commission | 194,628 | 194,628 |
| Public Utility Commission of Texas | 100,380,548 | 120,754,928 |
| Office of Public Utility Counsel | 288,138 | 288,138 |
| Board of Veterinary Medical Examiners | 500 | 500 |
| Workers' Compensation Commission | 1,280,154 | 1,287,221 |
| Subtotal, Regulatory | $ 108,487,918 | $ 128,869,365 |
| Retirement and Group Insurance | 431,135 | 416,372 |
| Social Security and Benefit Replacement Pay | 238,096 | 236,137 |
| Subtotal, Employee Benefits | $ 669,231 | $ 652,509 |
| Article VIII, Special Provisions, Rider Appropriations | 124,307 | 135,935 |
| Less Interagency Contracts | $ 1,804,832 | $ 1,816,460 |
| TOTAL, ARTICLE VIII - REGULATORY | $ 107,476,624 | $ 127,841,349 |

# RECAPITULATION - ARTICLE VIII
# REGULATORY
# (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Board of Public Accountancy | $ 2,910,191 | $ 2,464,613 |
| State Office of Administrative Hearings | 6,708,307 | 6,708,307 |
| Board of Architectural Examiners | 1,601,788 | 1,614,831 |
| Board of Barber Examiners | 581,676 | 581,676 |
| Board of Chiropractic Examiners | 322,388 | 322,388 |
| Cosmetology Commission | 2,173,700 | 2,159,766 |
| Credit Union Department | 1,655,593 | 1,703,218 |
| Contingency Appropriations | 120,000 | 192,000 |
| Total | 1,775,593 | 1,895,218 |
| Texas State Board of Dental Examiners | 1,553,085 | 1,432,465 |
| Board of Professional Engineers | 1,602,600 | 1,602,600 |
| Department of Banking | 11,347,006 | 11,291,689 |
| Rider Appropriations | 5,000 | 5,000 |
| Contingency Appropriations | 5,550,432 | 5,550,432 |
| Total | 16,902,438 | 16,847,121 |
| Office of Consumer Credit Commissioner | 3,428,283 | 3,428,283 |
| Savings and Loan Department | 2,928,656 | 2,928,656 |
| Contingency Appropriations | 2,377,500 | 2,604,100 |
| Total | 5,306,156 | 5,532,756 |
| Funeral Service Commission | 665,679 | 665,679 |
| Board of Professional Geoscientists | 473,704 | 424,203 |
| Department of Insurance | 52,378,739 | 52,342,739 |
| Office of Public Insurance Counsel | 1,013,533 | 1,013,533 |
| Board of Professional Land Surveying | 330,615 | 330,615 |
| Department of Licensing and Regulation | 7,405,216 | 7,405,216 |
| Board of Medical Examiners | 5,072,838 | 5,072,838 |
| Board of Nurse Examiners | 2,913,636 | 3,092,110 |
| Board of Vocational Nurse Examiners | 1,237,749 | 1,237,750 |
| Optometry Board | 356,725 | 356,725 |
| Structural Pest Control Board | 1,312,637 | 1,312,637 |
| Board of Pharmacy | 2,968,572 | 3,285,571 |
| Executive Council of Physical Therapy & Occupational Therapy Examiners | 779,026 | 779,026 |
| Board of Plumbing Examiners | 1,504,519 | 1,504,519 |
| Board of Podiatric Medical Examiners | 205,657 | 200,892 |
| Board of Examiners of Psychologists | 690,563 | 690,564 |
| Racing Commission | 9,328,234 | 9,329,234 |
| Real Estate Commission | 4,376,266 | 4,397,916 |
| Securities Board | 3,530,014 | 3,530,014 |
| Contingency Appropriations | 1,675,316 | 1,798,016 |
| Total | 5,205,330 | 5,328,030 |
| Board of Tax Professional Examiners | 145,818 | 145,818 |
| Public Utility Commission of Texas | 112,388,657 | 132,798,182 |
| Office of Public Utility Counsel | 1,747,800 | 1,747,800 |
| Board of Veterinary Medical Examiners | 562,947 | 562,947 |

## RECAPITULATION - ARTICLE VIII
## REGULATORY
## (All Funds)
(Continued)

| | | |
|---|---|---|
| Workers' Compensation Commission | 46,503,029 | 46,544,736 |
| Research and Oversight Council on Workers' Compensation | 979,290 | 979,290 |
| Subtotal, Regulatory | $ 305,412,984 | $ 326,138,594 |
| Retirement and Group Insurance | 32,471,241 | 32,039,624 |
| Social Security and Benefit Replacement Pay | 12,341,468 | 12,340,357 |
| Subtotal, Employee Benefits | $ 44,812,709 | $ 44,379,981 |
| Lease Payments | 5,349,731 | 5,348,752 |
| Article VIII, Special Provisions, Rider Appropriations | 124,307 | 135,935 |
| Less Interagency Contracts | $ 1,804,832 | $ 1,816,460 |
| TOTAL, ARTICLE VIII - REGULATORY | $ 353,894,899 | $ 374,186,802 |
| Number of Full-Time-Equivalent Positions (FTE) | 3,732.5 | 3,743.0 |

# ARTICLE IX

## PART 1. GENERAL PROVISIONS LEGISLATIVE INTENT

Sec. 1.01. **Limitations.** The provisions of this Article and all other Articles of this Act are limitations on the appropriations made by this Act. It is the purpose of the Legislature in enacting this bill only to appropriate funds and to restrict and limit by its provisions the amount and conditions under which the appropriations can be expended.

## PART 2. PROVISIONS RELATING TO THE POSITION CLASSIFICATION PLAN

Sec. 2.01. **Position Classification Plan.** Except as otherwise specifically provided in this Act, expenditures of appropriations for the salaries of employees, in classified positions in all affected agencies appropriated funds by this Act, other than institutions of higher education, university system offices, and the Texas Higher Education Coordinating Board, are governed by Chapter 654, Government Code (the Position Classification Act), Chapter 659, Government Code, and this section, including the following lists of position classification numbers, position titles, salary group allocations, and rates of pay in classification salary schedules as provided by this Article. With respect to Salary Schedule C, annual rates listed are actual salaries to be paid to employees in the applicable salary groups, except for ranges in C1 and C10 that allow for career development progressions as established by the agencies.

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS

| Class Number | Position Title | Salary Group |
|---|---|---|
| 0004 | Switchboard Operator I | A4 |
| 0006 | Switchboard Operator II | A5 |
| 0051 | Clerk I | A2 |
| 0053 | Clerk II | A4 |
| 0055 | Clerk III | A6 |
| 0057 | Clerk IV | A8 |
| 0059 | Clerk V | A10 |
| 0131 | Secretary I | A5 |
| 0133 | Secretary II | A6 |
| 0135 | Secretary III | A8 |
| 0137 | Secretary IV | A10 |
| 0147 | Word Processing Operator I | A6 |
| 0148 | Word Processing Operator II | A8 |
| 0149 | Word Processing Operator III | A10 |
| 0150 | Administrative Technician I | A8 |
| 0152 | Administrative Technician II | A11 |
| 0154 | Administrative Technician III | A13 |
| 0156 | Administrative Technician IV | A15 |
| 0203 | Data Entry Operator I | A6 |
| 0205 | Data Entry Operator II | A8 |
| 0207 | Data Entry Operator III | A10 |
| 0218 | ADP Record Control Clerk I | A7 |
| 0220 | ADP Record Control Clerk II | A9 |
| 0221 | ADP Equipment Operator I | A7 |
| 0223 | ADP Equipment Operator II | A9 |
| 0225 | ADP Equipment Operator III | A11 |
| 0227 | ADP Equipment Operator IV | A14 |
| 0235 | Systems Support Specialist I | A10 |
| 0236 | Systems Support Specialist II | A12 |
| 0237 | Systems Support Specialist III | A14 |
| 0238 | Systems Support Specialist IV | A16 |
| 0330 | Printing Services Technician I | A7 |
| 0331 | Printing Services Technician II | A9 |
| 0332 | Printing Services Technician III | A11 |
| 0333 | Printing Services Technician IV | A13 |
| 0334 | Printing Services Technician V | A15 |
| 0335 | Printing Services Technician VI | A16 |
| 0340 | Microfilm Camera Operator I | A6 |
| 0341 | Microfilm Camera Operator II | A8 |
| 0350 | Micrographics Technician I | A9 |
| 0352 | Micrographics Technician II | A11 |
| 0354 | Micrographics Technician III | A13 |
| 0356 | Micrographics Technician IV | A15 |
| 0365 | Photographer I | A14 |
| 0367 | Photographer II | A16 |
| 0540 | Research Assistant I | A11 |
| 0542 | Research Assistant II | A13 |
| 0810 | Teacher Aide I | A6 |
| 0812 | Teacher Aide II | A9 |
| 0814 | Teacher Aide III | A13 |
| 1240 | Reimbursement Officer I | A9 |

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 1242 | Reimbursement Officer II | A11 |
| 1244 | Reimbursement Officer III | A13 |
| 1246 | Reimbursement Officer IV | A15 |
| 1248 | Reimbursement Officer V | A17 |
| 1360 | Sample Technician I | A6 |
| 1362 | Sample Technician II | A8 |
| 1364 | Sample Technician III | A10 |
| 1370 | Seed Technician I | A8 |
| 1372 | Seed Technician II | A10 |
| 1374 | Seed Technician III | A12 |
| 1376 | Seed Technician IV | A14 |
| 1378 | Seed Technician V | A16 |
| 1727 | Human Resources Assistant | A11 |
| 1780 | Training Assistant | A11 |
| 1840 | Audio/Visual Technician I | A9 |
| 1841 | Audio/Visual Technician II | A11 |
| 1842 | Audio/Visual Technician III | A14 |
| 1843 | Audio/Visual Technician IV | A16 |
| 1912 | Inventory Coordinator I | A12 |
| 1913 | Inventory Coordinator II | A14 |
| 1970 | Contract Technician I | A9 |
| 1972 | Contract Technician II | A11 |
| 1974 | Contract Technician III | A13 |
| 2119 | Engineering Aide | A6 |
| 2121 | Engineering Technician I | A8 |
| 2122 | Engineering Technician II | A10 |
| 2123 | Engineering Technician III | A12 |
| 2124 | Engineering Technician IV | A14 |
| 2125 | Engineering Technician V | A16 |
| 2166 | Graphic Designer I | A12 |
| 2167 | Graphic Designer II | A14 |
| 2168 | Graphic Designer III | A16 |
| 2178 | Drafting Technician I | A8 |
| 2179 | Drafting Technician II | A11 |
| 2180 | Drafting Technician III | A13 |
| 2181 | Drafting Technician IV | A15 |
| 2182 | Drafting Technician V | A17 |
| 2690 | Fish and Wildlife Technician I | A8 |
| 2691 | Fish and Wildlife Technician II | A10 |
| 2692 | Fish and Wildlife Technician III | A13 |
| 2693 | Fish and Wildlife Technician IV | A15 |
| 2695 | Park Ranger I | A6 |
| 2696 | Park Ranger II | A8 |
| 2697 | Park Ranger III | A10 |
| 2698 | Park Ranger IV | A12 |
| 2699 | Park Ranger V | A14 |
| 2823 | Insurance Technician I | A8 |
| 2824 | Insurance Technician II | A10 |
| 3151 | Unemployment Insurance Claims Examiner I | A10 |
| 3152 | Unemployment Insurance Claims Examiner II | A12 |
| 3153 | Unemployment Insurance Claims Examiner III | A13 |
| 3154 | Unemployment Insurance Claims Examiner IV | A14 |

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 3565 | Legal Secretary I | A9 |
| 3566 | Legal Secretary II | A11 |
| 3567 | Legal Secretary III | A13 |
| 3568 | Legal Secretary IV | A15 |
| 3620 | Deputy Clerk I | A9 |
| 3622 | Deputy Clerk II | A11 |
| 3624 | Deputy Clerk III | A14 |
| 3626 | Deputy Clerk IV | A17 |
| 4001 | Dietetic Technician I | A7 |
| 4002 | Dietetic Technician II | A9 |
| 4140 | Laboratory Technician I | A5 |
| 4142 | Laboratory Technician II | A7 |
| 4144 | Laboratory Technician III | A9 |
| 4146 | Laboratory Technician IV | A11 |
| 4290 | Radiological Technologist Assistant | A3 |
| 4291 | Radiological Technologist I | A6 |
| 4292 | Radiological Technologist II | A8 |
| 4293 | Radiological Technologist III | A11 |
| 4294 | Radiological Technologist IV | A13 |
| 4340 | Orthopedic Equipment Assistant | A6 |
| 4342 | Orthopedic Equipment Technician I | A8 |
| 4344 | Orthopedic Equipment Technician II | A10 |
| 4346 | Orthopedic Equipment Technician III | A12 |
| 4348 | Therapist Technician I | A2 |
| 4349 | Therapist Technician II | A4 |
| 4350 | Therapist Technician III | A5 |
| 4351 | Therapist Technician IV | A7 |
| 4352 | Therapist Technician V | A9 |
| 4360 | Registered Therapist Assistant | A11 |
| 4372 | Medical Aide I | A4 |
| 4374 | Medical Aide II | A5 |
| 4376 | Medical Aide III | A7 |
| 4385 | Medical Technician I | A9 |
| 4386 | Medical Technician II | A11 |
| 4387 | Medical Technician III | A13 |
| 4428 | Respiratory Care Practitioner | A11 |
| 4430 | Licensed Vocational Nurse I | A9 |
| 4432 | Licensed Vocational Nurse II | A11 |
| 4481 | Dental Assistant I | A4 |
| 4482 | Dental Assistant II | A6 |
| 4483 | Dental Assistant III | A8 |
| 4489 | Dental Hygienist | A16 |
| 4497 | Pharmacy Technician I | A6 |
| 4498 | Pharmacy Technician II | A8 |
| 4499 | Pharmacy Technician III | A10 |
| 4501 | Correctional Officer I | A7 |
| 4502 | Correctional Officer II | A9 |
| 4503 | Correctional Officer III | A11 |
| 4504 | Correctional Officer IV | A12 |
| 4505 | Correctional Officer V | A14 |
| 4520 | Juvenile Correctional Officer I | A7 |
| 4521 | Juvenile Correctional Officer II | A9 |

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 4522 | Juvenile Correctional Officer III | A11 |
| 4523 | Juvenile Correctional Officer IV | A13 |
| 4524 | Juvenile Correctional Officer V | A15 |
| 4525 | Juvenile Correctional Officer VI | A16 |
| 4560 | Counsel Substitute I | A11 |
| 4561 | Counsel Substitute II | A13 |
| 4562 | Counsel Substitute III | A15 |
| 4571 | Correctional Transportation Officer | A12 |
| 4646 | Industrial Specialist I | A11 |
| 4647 | Industrial Specialist II | A12 |
| 4648 | Industrial Specialist III | A13 |
| 4649 | Industrial Specialist IV | A14 |
| 4650 | Industrial Specialist V | A16 |
| 4651 | Industrial Specialist VI | A18 |
| 4671 | Agriculture Specialist I | A12 |
| 4672 | Agriculture Specialist II | A13 |
| 4673 | Agriculture Specialist III | A14 |
| 4674 | Agriculture Specialist IV | A15 |
| 4675 | Agriculture Specialist V | A16 |
| 5078 | Chaplaincy Services Assistant I | A9 |
| 5079 | Chaplaincy Services Assistant II | A11 |
| 5080 | Chaplaincy Services Assistant III | A12 |
| 5085 | Rehabilitation Technician I | A11 |
| 5086 | Rehabilitation Technician II | A13 |
| 5120 | MHMR Services Aide | A4 |
| 5121 | MHMR Services Assistant I | A6 |
| 5122 | MHMR Services Assistant II | A7 |
| 5123 | MHMR Services Assistant III | A8 |
| 5124 | MHMR Services Supervisor | A10 |
| 5140 | Recreation Program Specialist I | A9 |
| 5142 | Recreation Program Specialist II | A11 |
| 5144 | Recreation Program Specialist III | A13 |
| 5146 | Recreation Program Specialist IV | A14 |
| 5201 | Resident Specialist I | A7 |
| 5203 | Resident Specialist II | A9 |
| 5205 | Resident Specialist III | A11 |
| 5207 | Resident Specialist IV | A13 |
| 5209 | Resident Specialist V | A15 |
| 5501 | Human Services Technician I | A2 |
| 5502 | Human Services Technician II | A4 |
| 5503 | Human Services Technician III | A6 |
| 5504 | Human Services Technician IV | A7 |
| 5505 | Human Services Technician V | A9 |
| 5550 | Child Support Technician I | A9 |
| 5551 | Child Support Technician II | A11 |
| 5552 | Child Support Technician III | A13 |
| 6090 | Communications Center Specialist I | A8 |
| 6091 | Communications Center Specialist II | A9 |
| 6092 | Communications Center Specialist III | A10 |
| 6095 | Police Communications Operator I | A12 |
| 6096 | Police Communications Operator II | A13 |
| 6097 | Police Communications Operator III | A14 |

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 6098 | Police Communications Operator IV | A15 |
| 6114 | Fingerprint Technician I | A10 |
| 6115 | Fingerprint Technician II | A11 |
| 6116 | Fingerprint Technician III | A12 |
| 6117 | Fingerprint Technician IV | A14 |
| 6221 | Public Safety Records Technician I | A9 |
| 6222 | Public Safety Records Technician II | A10 |
| 6230 | Security Officer I | A8 |
| 6232 | Security Officer II | A10 |
| 6234 | Security Officer III | A12 |
| 6240 | Security Worker I | A4 |
| 6242 | Security Worker II | A5 |
| 6244 | Security Worker III | A7 |
| 6246 | Security Worker IV | A9 |
| 7350 | Library Assistant I | A7 |
| 7352 | Library Assistant II | A9 |
| 7354 | Library Assistant III | A11 |
| 8001 | Custodian I | A2 |
| 8003 | Custodian II | A3 |
| 8005 | Custodian III | A5 |
| 8007 | Custodian IV | A8 |
| 8021 | Custodial Manager I | A11 |
| 8023 | Custodial Manager II | A13 |
| 8025 | Custodial Manager III | A15 |
| 8031 | Groundskeeper I | A4 |
| 8032 | Groundskeeper II | A5 |
| 8033 | Groundskeeper III | A7 |
| 8102 | Food Service Worker I | A2 |
| 8103 | Food Service Worker II | A3 |
| 8104 | Food Service Worker III | A5 |
| 8105 | Food Service Manager I | A9 |
| 8106 | Food Service Manager II | A13 |
| 8107 | Food Service Manager III | A16 |
| 8116 | Cook I | A3 |
| 8117 | Cook II | A4 |
| 8118 | Cook III | A6 |
| 8119 | Cook IV | A8 |
| 8202 | Sewing Room Worker | A2 |
| 8203 | Sewing Room Supervisor | A6 |
| 8251 | Laundry Worker I | A2 |
| 8252 | Laundry Worker II | A3 |
| 8253 | Laundry Worker III | A5 |
| 8254 | Laundry Worker IV | A6 |
| 8260 | Laundry Manager I | A9 |
| 8261 | Laundry Manager II | A11 |
| 8262 | Laundry Manager III | A14 |
| 8263 | Laundry Manager IV | A16 |
| 8301 | Barber/Cosmetologist I | A5 |
| 8302 | Barber/Cosmetologist II | A6 |
| 8400 | Canteen Manager I | A10 |
| 8401 | Canteen Manager II | A13 |
| 9004 | Maintenance Assistant | A3 |

## DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 9034 | Air Conditioning and Boiler Operator I | A7 |
| 9035 | Air Conditioning and Boiler Operator II | A9 |
| 9036 | Air Conditioning and Boiler Operator III | A11 |
| 9037 | Air Conditioning and Boiler Operator IV | A14 |
| 9041 | Maintenance Technician I | A6 |
| 9042 | Maintenance Technician II | A8 |
| 9043 | Maintenance Technician III | A9 |
| 9044 | Maintenance Technician IV | A11 |
| 9045 | Maintenance Technician V | A13 |
| 9047 | Electrical and Air Conditioning Mechanic I | A11 |
| 9048 | Electrical and Air Conditioning Mechanic II | A12 |
| 9049 | Electrical and Air Conditioning Mechanic III | A14 |
| 9050 | Electrical and Air Conditioning Mechanic IV | A16 |
| 9051 | Maintenance Supervisor I | A10 |
| 9052 | Maintenance Supervisor II | A12 |
| 9053 | Maintenance Supervisor III | A14 |
| 9054 | Maintenance Supervisor IV | A15 |
| 9055 | Maintenance Supervisor V | A16 |
| 9305 | Transportation Maintenance Specialist I | A13 |
| 9306 | Transportation Maintenance Specialist II | A15 |
| 9307 | Transportation Maintenance Specialist III | A16 |
| 9308 | Transportation Maintenance Specialist IV | A17 |
| 9309 | Transportation Maintenance Specialist V | A18 |
| 9321 | Vehicle Driver I | A2 |
| 9322 | Vehicle Driver II | A5 |
| 9323 | Vehicle Driver III | A7 |
| 9324 | Vehicle Driver IV | A9 |
| 9416 | Motor Vehicle Technician I | A8 |
| 9417 | Motor Vehicle Technician II | A10 |
| 9418 | Motor Vehicle Technician III | A12 |
| 9419 | Motor Vehicle Technician IV | A14 |
| 9510 | Machinist I | A10 |
| 9512 | Machinist II | A13 |
| 9514 | Machinist III | A15 |
| 9634 | Aircraft Mechanic I | A15 |
| 9636 | Aircraft Mechanic II | A17 |
| 9700 | Radio Communications Technician I | A9 |
| 9702 | Radio Communications Technician II | A11 |
| 9704 | Radio Communications Technician III | A12 |
| 9706 | Radio Communications Technician IV | A14 |
| 9733 | Machine Service Technician I | A13 |
| 9734 | Machine Service Technician II | A16 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS

| **Class Number** | **Position Title** | **Salary Group** |
|---|---|---|
| 0160 | Executive Assistant I | B9 |
| 0162 | Executive Assistant II | B11 |
| 0233 | ADP Supervisor I | B8 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 0234 | ADP Supervisor II | B10 |
| 0239 | Programmer I | B6 |
| 0240 | Programmer II | B8 |
| 0241 | Programmer III | B10 |
| 0242 | Programmer IV | B12 |
| 0243 | Programmer V | B14 |
| 0244 | Programmer VI | B16 |
| 0254 | Systems Analyst I | B8 |
| 0255 | Systems Analyst II | B10 |
| 0256 | Systems Analyst III | B12 |
| 0257 | Systems Analyst IV | B14 |
| 0258 | Systems Analyst V | B16 |
| 0271 | Data Base Administrator I | B8 |
| 0272 | Data Base Administrator II | B10 |
| 0273 | Data Base Administrator III | B12 |
| 0274 | Data Base Administrator IV | B14 |
| 0275 | Data Base Administrator V | B16 |
| 0281 | Telecommunications Specialist I | B6 |
| 0282 | Telecommunications Specialist II | B8 |
| 0283 | Telecommunications Specialist III | B10 |
| 0284 | Telecommunications Specialist IV | B12 |
| 0285 | Telecommunications Specialist V | B14 |
| 0287 | Network Specialist I | B8 |
| 0288 | Network Specialist II | B10 |
| 0289 | Network Specialist III | B12 |
| 0290 | Network Specialist IV | B14 |
| 0291 | Network Specialist V | B16 |
| 0515 | Planning Assistant | B8 |
| 0516 | Planner I | B9 |
| 0517 | Planner II | B11 |
| 0518 | Planner III | B12 |
| 0519 | Planner IV | B13 |
| 0600 | Research Specialist I | B7 |
| 0602 | Research Specialist II | B9 |
| 0604 | Research Specialist III | B10 |
| 0606 | Research Specialist IV | B11 |
| 0608 | Research Specialist V | B13 |
| 0620 | Statistician I | B1 |
| 0622 | Statistician II | B4 |
| 0624 | Statistician III | B7 |
| 0626 | Statistician IV | B9 |
| 0640 | Economist I | B8 |
| 0642 | Economist II | B10 |
| 0644 | Economist III | B12 |
| 0660 | Governor's Advisor I | B15 |
| 0662 | Governor's Advisor II | B18 |
| 0664 | Governor's Advisor III | B20 |
| 0666 | Governor's Advisor IV | B21 |
| 1010 | Accountant I | B3 |
| 1012 | Accountant II | B5 |
| 1014 | Accountant III | B8 |
| 1016 | Accountant IV | B9 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 1018 | Accountant V | B11 |
| 1020 | Accountant VI | B12 |
| 1022 | Accountant VII | B13 |
| 1040 | Auditor I | B5 |
| 1042 | Auditor II | B7 |
| 1044 | Auditor III | B9 |
| 1046 | Auditor IV | B11 |
| 1048 | Auditor V | B13 |
| 1050 | Auditor VI | B15 |
| 1059 | Taxpayer Compliance Officer I | B3 |
| 1060 | Taxpayer Compliance Officer II | B4 |
| 1061 | Taxpayer Compliance Officer III | B6 |
| 1062 | Taxpayer Compliance Officer IV | B8 |
| 1063 | Taxpayer Compliance Officer V | B10 |
| 1073 | Accounts Examiner I | B3 |
| 1074 | Accounts Examiner II | B5 |
| 1075 | Accounts Examiner III | B7 |
| 1076 | Accounts Examiner IV | B9 |
| 1077 | Accounts Examiner V | B10 |
| 1080 | Financial Analyst I | B11 |
| 1082 | Financial Analyst II | B13 |
| 1084 | Financial Analyst III | B15 |
| 1100 | Financial Examiner I | B7 |
| 1102 | Financial Examiner II | B9 |
| 1104 | Financial Examiner III | B11 |
| 1106 | Financial Examiner IV | B13 |
| 1108 | Financial Examiner V | B15 |
| 1110 | Financial Examiner VI | B17 |
| 1112 | Financial Examiner VII | B19 |
| 1130 | Investment Analyst I | B12 |
| 1131 | Investment Analyst II | B15 |
| 1132 | Investment Analyst III | B18 |
| 1133 | Investment Analyst IV | B20 |
| 1140 | Manager of External Money Managers I | B15 |
| 1142 | Manager of External Money Managers II | B17 |
| 1144 | Manager of External Money Managers III | B19 |
| 1150 | Portfolio Manager I | B18 |
| 1151 | Portfolio Manager II | B20 |
| 1152 | Portfolio Manager III | B21 |
| 1153 | Portfolio Manager IV | B22 |
| 1155 | Budget Analyst I | B6 |
| 1156 | Budget Analyst II | B9 |
| 1157 | Budget Analyst III | B11 |
| 1158 | Budget Analyst IV | B13 |
| 1160 | Trader I | B12 |
| 1161 | Trader II | B16 |
| 1162 | Trader III | B19 |
| 1175 | Chief Trader I | B21 |
| 1176 | Chief Trader II | B22 |
| 1320 | Inspector I | B1 |
| 1321 | Inspector II | B3 |
| 1322 | Inspector III | B5 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 1323 | Inspector IV | B7 |
| 1324 | Inspector V | B8 |
| 1325 | Inspector VI | B10 |
| 1326 | Inspector VII | B12 |
| 1350 | Investigator I | B4 |
| 1351 | Investigator II | B6 |
| 1352 | Investigator III | B8 |
| 1353 | Investigator IV | B9 |
| 1354 | Investigator V | B10 |
| 1355 | Investigator VI | B12 |
| 1356 | Investigator VII | B13 |
| 1550 | Staff Services Officer I | B8 |
| 1551 | Staff Services Officer II | B10 |
| 1552 | Staff Services Officer III | B11 |
| 1553 | Staff Services Officer IV | B12 |
| 1554 | Staff Services Officer V | B13 |
| 1563 | Program Administrator I | B9 |
| 1564 | Program Administrator II | B10 |
| 1565 | Program Administrator III | B11 |
| 1566 | Program Administrator IV | B12 |
| 1567 | Program Administrator V | B13 |
| 1570 | Program Specialist I | B9 |
| 1571 | Program Specialist II | B10 |
| 1572 | Program Specialist III | B11 |
| 1573 | Program Specialist IV | B12 |
| 1574 | Program Specialist V | B13 |
| 1575 | Program Specialist VI | B15 |
| 1600 | Manager I | B13 |
| 1601 | Manager II | B14 |
| 1602 | Manager III | B15 |
| 1603 | Manager IV | B16 |
| 1604 | Manager V | B17 |
| 1620 | Director I | B17 |
| 1621 | Director II | B18 |
| 1622 | Director III | B19 |
| 1623 | Director IV | B20 |
| 1624 | Director V | B21 |
| 1630 | Deputy Director | B22 |
| 1635 | Deputy Executive Director, Texas Building and Procurement Commission | B21 |
| 1640 | Deputy Comptroller | B22 |
| 1729 | Human Resources Specialist I | B5 |
| 1731 | Human Resources Specialist II | B7 |
| 1733 | Human Resources Specialist III | B9 |
| 1735 | Human Resources Specialist IV | B11 |
| 1737 | Human Resources Specialist V | B13 |
| 1781 | Training Specialist I | B5 |
| 1782 | Training Specialist II | B7 |
| 1783 | Training Specialist III | B9 |
| 1784 | Training Specialist IV | B11 |
| 1785 | Training Specialist V | B13 |
| 1821 | Marketing Specialist I | B4 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 1822 | Marketing Specialist II | B6 |
| 1823 | Marketing Specialist III | B8 |
| 1824 | Marketing Specialist IV | B10 |
| 1830 | Information Specialist I | B6 |
| 1831 | Information Specialist II | B8 |
| 1832 | Information Specialist III | B10 |
| 1833 | Information Specialist IV | B13 |
| 1850 | Methods and Procedures Specialist I | B6 |
| 1851 | Methods and Procedures Specialist II | B8 |
| 1852 | Methods and Procedures Specialist III | B10 |
| 1870 | Technical Writer I | B7 |
| 1871 | Technical Writer II | B9 |
| 1880 | State and Federal Relations Representative I | B15 |
| 1881 | State and Federal Relations Representative II | B17 |
| 1882 | State and Federal Relations Representative III | B19 |
| 1954 | Purchaser I | B4 |
| 1955 | Purchaser II | B6 |
| 1956 | Purchaser III | B8 |
| 1957 | Purchaser IV | B10 |
| 1958 | Purchaser V | B12 |
| 1976 | Contract Specialist I | B7 |
| 1978 | Contract Specialist II | B8 |
| 1980 | Contract Specialist III | B9 |
| 1982 | Contract Specialist IV | B10 |
| 2040 | Survey Specialist | B9 |
| 2050 | Land Surveyor I | B11 |
| 2052 | Land Surveyor II | B12 |
| 2054 | Land Surveyor III | B13 |
| 2060 | Appraiser I | B5 |
| 2061 | Appraiser II | B7 |
| 2062 | Appraiser III | B9 |
| 2063 | Appraiser IV | B10 |
| 2064 | Appraiser V | B11 |
| 2065 | Appraiser VI | B13 |
| 2080 | Right of Way Agent I | B4 |
| 2082 | Right of Way Agent II | B6 |
| 2084 | Right of Way Agent III | B8 |
| 2086 | Right of Way Agent IV | B10 |
| 2091 | Utility Specialist I | B9 |
| 2092 | Utility Specialist II | B11 |
| 2093 | Utility Specialist III | B12 |
| 2094 | Utility Specialist IV | B13 |
| 2127 | Engineering Specialist I | B9 |
| 2128 | Engineering Specialist II | B10 |
| 2129 | Engineering Specialist III | B11 |
| 2130 | Engineering Specialist IV | B12 |
| 2131 | Engineering Specialist V | B13 |
| 2132 | Engineering Specialist VI | B14 |
| 2135 | Engineering Assistant I | B6 |
| 2137 | Engineering Assistant II | B7 |
| 2139 | Engineering Assistant III | B8 |
| 2150 | Engineer I | B11 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 2151 | Engineer II | B12 |
| 2152 | Engineer III | B13 |
| 2153 | Engineer IV | B14 |
| 2154 | Engineer V | B15 |
| 2155 | Engineer VI | B16 |
| 2156 | Engineer VII | B17 |
| 2251 | Project Design Assistant I | B6 |
| 2253 | Project Design Assistant II | B7 |
| 2255 | Project Design Assistant III | B8 |
| 2256 | Architect I | B9 |
| 2258 | Architect II | B10 |
| 2260 | Architect III | B11 |
| 2262 | Architect IV | B12 |
| 2264 | Architect V | B13 |
| 2351 | Geologist Assistant I | B6 |
| 2353 | Geologist Assistant II | B7 |
| 2355 | Geologist Assistant III | B8 |
| 2356 | Geologist I | B9 |
| 2358 | Geologist II | B10 |
| 2360 | Geologist III | B11 |
| 2362 | Geologist IV | B12 |
| 2364 | Geologist V | B13 |
| 2451 | Hydrologist Assistant I | B6 |
| 2453 | Hydrologist Assistant II | B7 |
| 2455 | Hydrologist Assistant III | B8 |
| 2456 | Hydrologist I | B9 |
| 2458 | Hydrologist II | B10 |
| 2460 | Hydrologist III | B11 |
| 2462 | Hydrologist IV | B12 |
| 2464 | Hydrologist V | B13 |
| 2471 | Chemist I | B5 |
| 2472 | Chemist II | B7 |
| 2473 | Chemist III | B9 |
| 2474 | Chemist IV | B11 |
| 2475 | Chemist V | B13 |
| 2476 | Chemist VI | B15 |
| 2580 | Sanitarian I | B3 |
| 2581 | Sanitarian II | B5 |
| 2582 | Sanitarian III | B7 |
| 2583 | Sanitarian IV | B9 |
| 2584 | Sanitarian V | B11 |
| 2585 | Sanitarian VI | B13 |
| 2650 | Environmental Specialist I | B5 |
| 2651 | Environmental Specialist II | B7 |
| 2652 | Environmental Specialist III | B9 |
| 2653 | Environmental Specialist IV | B11 |
| 2654 | Environmental Specialist V | B13 |
| 2655 | Environmental Specialist VI | B15 |
| 2681 | Natural Resources Specialist I | B5 |
| 2682 | Natural Resources Specialist II | B7 |
| 2683 | Natural Resources Specialist III | B9 |
| 2684 | Natural Resources Specialist IV | B11 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 2685 | Natural Resources Specialist V | B13 |
| 2686 | Natural Resources Specialist VI | B15 |
| 2687 | Park Manager I | B6 |
| 2688 | Park Manager II | B8 |
| 2689 | Park Manager III | B10 |
| 2721 | Deputy State Fire Marshal I | B5 |
| 2722 | Deputy State Fire Marshal II | B7 |
| 2723 | Deputy State Fire Marshal III | B9 |
| 2724 | Deputy State Fire Marshal IV | B11 |
| 2730 | Safety Officer I | B7 |
| 2731 | Safety Officer II | B9 |
| 2732 | Safety Officer III | B11 |
| 2733 | Safety Officer IV | B13 |
| 2740 | Risk Management Specialist I | B7 |
| 2741 | Risk Management Specialist II | B9 |
| 2742 | Risk Management Specialist III | B10 |
| 2743 | Risk Management Specialist IV | B12 |
| 2744 | Risk Management Specialist V | B13 |
| 2761 | Rescue Specialist I | B8 |
| 2762 | Rescue Specialist II | B9 |
| 2763 | Rescue Specialist III | B11 |
| 2801 | Actuary I | B11 |
| 2802 | Actuary II | B13 |
| 2803 | Actuary III | B15 |
| 2804 | Actuary IV | B17 |
| 2805 | Actuary V | B19 |
| 2806 | Actuary VI | B21 |
| 2808 | Chief Actuary | B22 |
| 2841 | Insurance Specialist I | B4 |
| 2842 | Insurance Specialist II | B6 |
| 2843 | Insurance Specialist III | B8 |
| 2844 | Insurance Specialist IV | B9 |
| 2845 | Insurance Specialist V | B10 |
| 2911 | Retirement System Benefits Specialist I | B2 |
| 2912 | Retirement System Benefits Specialist II | B4 |
| 2913 | Retirement System Benefits Specialist III | B6 |
| 2914 | Retirement System Benefits Specialist IV | B8 |
| 3020 | Employment Specialist I | B2 |
| 3021 | Employment Specialist II | B3 |
| 3022 | Employment Specialist III | B4 |
| 3023 | Employment Specialist IV | B5 |
| 3024 | Employment Specialist V | B6 |
| 3025 | Employment Specialist VI | B7 |
| 3026 | Employment Specialist VII | B8 |
| 3141 | Labor Market Analyst I | B5 |
| 3142 | Labor Market Analyst II | B6 |
| 3143 | Labor Market Analyst III | B7 |
| 3144 | Labor Market Analyst IV | B8 |
| 3171 | Unemployment Insurance Specialist I | B7 |
| 3172 | Unemployment Insurance Specialist II | B8 |
| 3173 | Unemployment Insurance Specialist III | B9 |
| 3195 | Unemployment Tax Specialist | B8 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 3501 | Attorney I | B9 |
| 3502 | Attorney II | B11 |
| 3503 | Attorney III | B13 |
| 3504 | Attorney IV | B15 |
| 3505 | Attorney V | B17 |
| 3506 | Attorney VI | B19 |
| 3510 | Assistant Attorney General I | B9 |
| 3511 | Assistant Attorney General II | B11 |
| 3512 | Assistant Attorney General III | B13 |
| 3513 | Assistant Attorney General IV | B15 |
| 3514 | Assistant Attorney General V | B17 |
| 3515 | Assistant Attorney General VI | B19 |
| 3516 | Assistant Attorney General VII | B20 |
| 3517 | First Assistant Attorney General | B22 |
| 3520 | General Counsel I | B13 |
| 3521 | General Counsel II | B15 |
| 3522 | General Counsel III | B17 |
| 3523 | General Counsel IV | B19 |
| 3524 | General Counsel V | B20 |
| 3559 | Hearings Reporter | B12 |
| 3561 | Appellate Court Peace Officer | B6 |
| 3570 | Legal Assistant I | B4 |
| 3572 | Legal Assistant II | B6 |
| 3574 | Legal Assistant III | B8 |
| 3576 | Legal Assistant IV | B10 |
| 3600 | Law Clerk I | B1 |
| 3602 | Law Clerk II | B2 |
| 3604 | Law Clerk III | B3 |
| 3610 | Court Law Clerk I | B9 |
| 3611 | Court Law Clerk II | B11 |
| 3630 | Chief Deputy Clerk | B13 |
| 3635 | Clerk of the Court | B17 |
| 3640 | Judge I | B15 |
| 3642 | Judge II | B17 |
| 3644 | Judge III | B18 |
| 3650 | Title IV-D Master I | B18 |
| 3652 | Title IV-D Master II | B20 |
| 3660 | Ombudsman I | B9 |
| 3662 | Ombudsman II | B10 |
| 3670 | Benefit Review Officer I | B10 |
| 3672 | Benefit Review Officer II | B12 |
| 4005 | Dietitian I | B3 |
| 4006 | Dietitian II | B5 |
| 4007 | Dietitian III | B7 |
| 4015 | Nutritionist I | B5 |
| 4016 | Nutritionist II | B7 |
| 4017 | Nutritionist III | B10 |
| 4018 | Nutritionist IV | B12 |
| 4070 | Public Health Technician I | B3 |
| 4072 | Public Health Technician II | B5 |
| 4074 | Public Health Technician III | B7 |
| 4076 | Public Health Technician IV | B9 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 4082 | Epidemiologist I | B11 |
| 4083 | Epidemiologist II | B13 |
| 4084 | Epidemiologist III | B15 |
| 4125 | Veterinarian I | B14 |
| 4127 | Veterinarian II | B16 |
| 4219 | Microbiologist I | B3 |
| 4220 | Microbiologist II | B5 |
| 4221 | Microbiologist III | B7 |
| 4222 | Microbiologist IV | B9 |
| 4223 | Microbiologist V | B11 |
| 4224 | Microbiologist VI | B13 |
| 4225 | Microbiologist VII | B15 |
| 4361 | Registered Therapist I | B4 |
| 4362 | Registered Therapist II | B6 |
| 4363 | Registered Therapist III | B8 |
| 4364 | Registered Therapist IV | B10 |
| 4365 | Registered Therapist V | B11 |
| 4366 | Registered Therapist VI | B13 |
| 4400 | Medical Technologist I | B3 |
| 4401 | Medical Technologist II | B5 |
| 4402 | Medical Technologist III | B7 |
| 4403 | Medical Technologist IV | B9 |
| 4404 | Medical Technologist V | B11 |
| 4405 | Medical Technologist VI | B13 |
| 4433 | Physician I | B19 |
| 4436 | Physician II | B20 |
| 4437 | Physician III | B21 |
| 4438 | Physician IV | B22 |
| 4442 | Nurse I | B6 |
| 4444 | Nurse II | B8 |
| 4446 | Nurse III | B10 |
| 4448 | Nurse IV | B12 |
| 4450 | Nurse V | B13 |
| 4452 | Medical Research Specialist I | B15 |
| 4453 | Medical Research Specialist II | B17 |
| 4455 | Dentist I | B16 |
| 4457 | Dentist II | B18 |
| 4460 | Psychologist I | B12 |
| 4462 | Psychologist II | B14 |
| 4464 | Psychologist III | B16 |
| 4466 | Psychological Assistant | B4 |
| 4468 | Associate Psychologist I | B8 |
| 4469 | Associate Psychologist II | B9 |
| 4470 | Associate Psychologist III | B10 |
| 4471 | Associate Psychologist IV | B11 |
| 4472 | Associate Psychologist V | B12 |
| 4475 | Psychiatrist I | B19 |
| 4476 | Psychiatrist II | B20 |
| 4477 | Psychiatrist III | B21 |
| 4478 | Psychiatrist IV | B22 |
| 4491 | Pharmacist I | B12 |
| 4492 | Pharmacist II | B14 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 4493 | Pharmacist III | B16 |
| 4495 | Pharmacologist I | B15 |
| 4496 | Pharmacologist II | B16 |
| 4510 | Sergeant of Correctional Officers | B7 |
| 4511 | Lieutenant of Correctional Officers | B8 |
| 4512 | Captain of Correctional Officers | B9 |
| 4513 | Major of Correctional Officers | B10 |
| 4540 | Parole Officer I | B6 |
| 4541 | Parole Officer II | B7 |
| 4542 | Parole Officer III | B8 |
| 4543 | Parole Officer IV | B10 |
| 4544 | Parole Officer V | B12 |
| 4550 | Assistant Warden | B13 |
| 4551 | Warden I | B15 |
| 4552 | Warden II | B16 |
| 5001 | Social Service Worker I | B3 |
| 5002 | Social Service Worker II | B4 |
| 5003 | Social Service Worker III | B5 |
| 5006 | Social Service Supervisor I | B7 |
| 5007 | Social Service Supervisor II | B8 |
| 5023 | Protective Services Specialist I | B5 |
| 5024 | Protective Services Specialist II | B6 |
| 5025 | Protective Services Specialist III | B7 |
| 5026 | Protective Services Specialist IV | B8 |
| 5027 | Protective Services Specialist V | B9 |
| 5030 | Disability Determination Examiner I | B7 |
| 5031 | Disability Determination Examiner II | B8 |
| 5032 | Disability Determination Examiner III | B9 |
| 5033 | Disability Determination Examiner IV | B10 |
| 5046 | Disability Case Review Specialist | B3 |
| 5062 | Vocational Rehabilitation Counselor I | B7 |
| 5063 | Vocational Rehabilitation Counselor II | B8 |
| 5064 | Vocational Rehabilitation Counselor III | B9 |
| 5081 | Chaplain I | B6 |
| 5082 | Chaplain II | B9 |
| 5083 | Chaplain III | B11 |
| 5090 | Rehabilitation Teacher I | B2 |
| 5091 | Rehabilitation Teacher II | B4 |
| 5092 | Rehabilitation Teacher III | B6 |
| 5095 | Coordinator of Rehabilitation | B8 |
| 5105 | Veterans Assistance Counselor I | B6 |
| 5106 | Veterans Assistance Counselor II | B7 |
| 5107 | Veterans Assistance Counselor III | B8 |
| 5108 | Veterans Assistance Counselor IV | B10 |
| 5109 | Veterans Assistance Counselor V | B12 |
| 5112 | Substance Abuse Counselor I | B5 |
| 5113 | Substance Abuse Counselor II | B6 |
| 5130 | Qualified Mental Retardation Professional I | B5 |
| 5131 | Qualified Mental Retardation Professional II | B6 |
| 5132 | Qualified Mental Retardation Professional III | B7 |
| 5133 | Qualified Mental Retardation Professional IV | B8 |
| 5211 | Caseworker I | B1 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 5212 | Caseworker II | B4 |
| 5213 | Caseworker III | B7 |
| 5220 | Clinical Social Worker I | B3 |
| 5221 | Clinical Social Worker II | B5 |
| 5222 | Clinical Social Worker III | B7 |
| 5223 | Clinical Social Worker IV | B9 |
| 5224 | Clinical Social Worker V | B10 |
| 5226 | Case Manager I | B3 |
| 5227 | Case Manager II | B5 |
| 5228 | Case Manager III | B7 |
| 5229 | Case Manager IV | B9 |
| 5231 | Volunteer Services Coordinator I | B3 |
| 5232 | Volunteer Services Coordinator II | B5 |
| 5233 | Volunteer Services Coordinator III | B7 |
| 5234 | Volunteer Services Coordinator IV | B9 |
| 5235 | Volunteer Services Coordinator V | B11 |
| 5524 | Human Services Quality Control Analyst I | B6 |
| 5525 | Human Services Quality Control Analyst II | B7 |
| 5526 | Human Services Quality Control Analyst III | B8 |
| 5527 | Human Services Quality Control Analyst IV | B9 |
| 5528 | Human Services Quality Control Analyst V | B11 |
| 5530 | Child Development Specialist I | B1 |
| 5531 | Child Development Specialist II | B3 |
| 5532 | Child Development Specialist III | B5 |
| 5533 | Child Development Specialist IV | B7 |
| 5534 | Child Development Specialist V | B9 |
| 5540 | Child Support Officer I | B3 |
| 5541 | Child Support Officer II | B5 |
| 5542 | Child Support Officer III | B7 |
| 5543 | Child Support Officer IV | B9 |
| 5612 | Interpreter I | B3 |
| 5614 | Interpreter II | B6 |
| 5616 | Interpreter III | B8 |
| 5618 | Interpreter IV | B10 |
| 5700 | Human Services Specialist I | B3 |
| 5701 | Human Services Specialist II | B4 |
| 5702 | Human Services Specialist III | B5 |
| 5703 | Human Services Specialist IV | B6 |
| 5704 | Human Services Specialist V | B7 |
| 5705 | Human Services Specialist VI | B8 |
| 5706 | Human Services Specialist VII | B9 |
| 5720 | Human Services Trainee | B2 |
| 6051 | Criminalist I | B9 |
| 6052 | Criminalist II | B10 |
| 6053 | Criminalist III | B11 |
| 6054 | Criminalist IV | B12 |
| 6055 | Criminalist V | B13 |
| 6056 | Criminalist VI | B14 |
| 6057 | Criminalist VII | B15 |
| 6080 | Crime Scene Photographer I | B6 |
| 6082 | Crime Scene Photographer II | B7 |
| 6084 | Crime Scene Photographer III | B9 |

## DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 6086 | Crime Scene Photographer IV | B11 |
| 6121 | Latent Print Technician I | B7 |
| 6122 | Latent Print Technician II | B8 |
| 6150 | Evidence/CODIS/DNA Technician | B5 |
| 6152 | Combined DNA Index System Analyst I | B10 |
| 6154 | Combined DNA Index System Analyst II | B12 |
| 6200 | Breath Test Electronic Technician | B9 |
| 7304 | Archeologist I | B5 |
| 7306 | Archeologist II | B7 |
| 7308 | Archeologist III | B9 |
| 7315 | Historian I | B5 |
| 7317 | Historian II | B7 |
| 7319 | Historian III | B9 |
| 7401 | Librarian I | B5 |
| 7402 | Librarian II | B7 |
| 7403 | Librarian III | B9 |
| 7404 | Librarian IV | B11 |
| 7405 | Archivist I | B5 |
| 7407 | Archivist II | B7 |
| 7409 | Archivist III | B9 |
| 7460 | Exhibit Technician I | B2 |
| 7462 | Exhibit Technician II | B4 |
| 7464 | Exhibit Technician III | B6 |
| 7466 | Museum Curator | B7 |
| 9622 | Aircraft Pilot I | B9 |
| 9624 | Aircraft Pilot II | B11 |
| 9626 | Aircraft Pilot III | B13 |

## DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS

| **Class Number** | **Position Title** | **Salary Group** |
|---|---|---|
| 9907 | Pilot Investigator III | C9 |
| 9954 | Agent IV | C5 |
| 9950 | Agent Trainee | C1 |
| 9951 | Agent I | C2 |
| 9952 | Agent II | C3 |
| 9953 | Agent III | C4 |
| 9993 | Assistant Commander, Game Warden | C10 |
| 9975 | Internal Affairs Deputy Division Director | C10 |
| 9955 | Agent V | C6 |
| 9961 | Lieutenant, Alcoholic Beverage | C8 |
| 9943 | Assistant Commander, Public Safety | C10 |
| 9992 | Captain, Game Warden | C9 |
| 9933 | Corporal IV | C5 |
| 9932 | Corporal III | C4 |
| 9931 | Corporal II | C3 |
| 9930 | Corporal I | C2 |
| 9962 | Captain, Alcoholic Beverage | C9 |
| 9908 | Pilot Investigator IV | C10 |

## DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS
(Continued)

| | | |
|---|---|---|
| 9994 | Commander, Game Warden | C10 |
| 9963 | Major, Alcoholic Beverage | C10 |
| 9985 | Game Warden IV | C5 |
| 9984 | Game Warden III | C4 |
| 9983 | Game Warden II | C3 |
| 9982 | Game Warden I | C2 |
| 9986 | Game Warden V | C6 |
| 9902 | Public Safety Inspector II | C9 |
| 9901 | Public Safety Inspector I | C8 |
| 9965 | Internal Affairs Investigator Trainee | C1 |
| 9966 | Internal Affairs Investigator I | C2 |
| 9967 | Internal Affairs Investigator II | C3 |
| 9968 | Internal Affairs Investigator III | C4 |
| 9969 | Internal Affairs Investigator IV | C5 |
| 9972 | Internal Affairs Regional Supervisor | C7 |
| 9973 | Internal Affairs Regional Manager | C8 |
| 9974 | Internal Affairs Multi-Region Administrator | C9 |
| 9970 | Internal Affairs Investigator V | C6 |
| 9991 | Lieutenant, Game Warden | C8 |
| 9995 | Major, Game Warden | C10 |
| 9945 | Major, Public Safety | C10 |
| 9905 | Pilot Investigator I | C7 |
| 9981 | Probationary Game Warden | C1 |
| 9990 | Sergeant, Game Warden | C7 |
| 9906 | Pilot Investigator II | C8 |
| 9960 | Sergeant, Alcoholic Beverage | C7 |
| 9920 | Trooper Trainee | C1 |
| 9922 | Probationary Trooper | C1 |
| 9926 | Trooper IV | C5 |
| 9925 | Trooper III | C4 |
| 9924 | Trooper II | C3 |
| 9923 | Trooper I | C2 |
| 9980 | Game Warden Trainee | C1 |
| 9927 | Trooper V | C6 |
| 9934 | Corporal V | C6 |
| 9940 | Sergeant, Public Safety | C7 |
| 9941 | Lieutenant, Public Safety | C8 |
| 9942 | Captain, Public Safety | C9 |
| 9944 | Commander, Public Safety | C10 |

## SCHEDULE A CLASSIFICATION SALARY SCHEDULE

For the Fiscal Year Beginning September 1, 2003 and
For the Fiscal Year Beginning September 1, 2004

| Salary Group | Minimum | Maximum |
|---|---|---|
| A2 | 14,376 | 18,732 |
| A3 | 15,108 | 19,644 |
| A4 | 15,864 | 20,652 |
| A5 | 16,656 | 21,792 |
| A6 | 17,532 | 22,944 |
| A7 | 18,444 | 24,252 |
| A8 | 19,452 | 25,632 |
| A9 | 20,592 | 27,132 |
| A10 | 21,744 | 28,740 |
| A11 | 23,052 | 30,432 |
| A12 | 24,432 | 33,024 |
| A13 | 25,932 | 34,836 |
| A14 | 27,540 | 37,548 |
| A15 | 29,232 | 39,864 |
| A16 | 31,068 | 42,864 |
| A17 | 32,988 | 45,780 |
| A18 | 35,100 | 48,420 |

## SCHEDULE B CLASSIFICATION SALARY SCHEDULE

For the Fiscal Year Beginning September 1, 2003 and
For the Fiscal Year Beginning September 1, 2004

| Salary Group | Minimum | Maximum |
|---|---|---|
| B1 | 20,592 | 29,004 |
| B2 | 21,744 | 30,552 |
| B3 | 23,052 | 32,364 |
| B4 | 24,432 | 34,308 |
| B5 | 25,932 | 36,408 |
| B6 | 27,540 | 38,664 |
| B7 | 29,232 | 41,052 |
| B8 | 31,068 | 43,620 |
| B9 | 32,988 | 46,320 |
| B10 | 35,100 | 52,932 |
| B11 | 37,332 | 56,304 |
| B12 | 39,708 | 59,880 |
| B13 | 42,216 | 63,672 |
| B14 | 44,928 | 67,764 |
| B15 | 47,820 | 77,100 |
| B16 | 50,952 | 82,140 |
| B17 | 54,264 | 87,480 |
| B18 | 57,816 | 93,204 |
| B19 | 65,352 | 105,348 |
| B20 | 73,920 | 119,160 |
| B21 | 93,360 | 150,504 |
| B22 | 118,092 | 190,380 |

## SCHEDULE C
## CLASSIFICATION SALARY SCHEDULE

(Not Reflecting Salary Increase Described by the General Appropriations Act, Seventy-seventh Legislative Session)
(For the Fiscal Year Beginning September 1, 2003 and
for the Fiscal Year Beginning September 1, 2004)

| Salary Group | Class Title | Years of Service <4 | ≥4 | ≥8 | ≥12 | ≥16 |
|---|---|---|---|---|---|---|
| C1 | Trooper Trainee<br>Game Warden Trainee<br>Internal Affairs Investigator Trainee | $29,000 | | | | |
| C1 | Probationary Trooper<br>Probationary Game Warden<br>Agent Trainee | $32,000 | | | | |
| C2 | | $35,000 | | | | |
| C3 | | | $37,400 | | | |
| C4 | | | | $39,800 | | |
| C5 | | | | | $42,200 | |
| C6 | | | | | | $44,600 |
| C7 | | | $43,400 | $45,800 | $48,200 | $50,600 |
| C8 | | | $49,400 | $51,800 | $54,200 | $56,600 |
| C9 | | | $55,400 | $57,800 | $60,200 | $62,600 |
| C10 | Public Safety, Assistant Commander<br>Pilot Investigator IV<br>Assistant Commander, Game Warden<br>Alcoholic Beverage, Assistant Commander<br>Internal Affairs, Deputy Division Director<br>(≤12 years of service) | | $66,600 | $66,600 | $66,600 | $66,600 |
| C10 | Public Safety, Major/Commander<br>Major/Commander, Game Warden<br>Alcoholic Beverage, Major<br>Internal Affairs, Deputy Division Director<br>(≥12 years of service) | | $70,600 | $70,600 | $70,600 | $70,600 |

## SCHEDULE C
## CLASSIFICATION SALARY SCHEDULE

(Reflecting the Salary Increase Described by the General Appropriations Act, Seventy-seventh Legislative Session)

(For the Fiscal Year Beginning September 1, 2003 and for the Fiscal Year Beginning September 1, 2004)

| Salary Group | Class Title | Years of Service <4 | ≥4 | ≥8 | ≥12 | ≥16 |
|---|---|---|---|---|---|---|
| C1 | Trooper Trainee<br>Game Warden Trainee<br>Internal Affairs Investigator Trainee | $30,200 | | | | |
| C1 | Probationary Trooper<br>Probationary Game Warden<br>Agent Trainee | $33,280 | | | | |
| C2 | | $36,400 | | | | |
| C3 | | | $38,896 | | | |
| C4 | | | | $41,392 | | |
| C5 | | | | | $43,888 | |
| C6 | | | | | | $46,384 |
| C7 | | | $45,136 | $47,632 | $50,128 | $52,624 |
| C8 | | | $51,376 | $53,872 | $56,368 | $58,864 |
| C9 | | | $57,616 | $60,112 | $62,608 | $65,104 |
| C10 | Public Safety, Assistant Commander<br>Pilot Investigator IV<br>Assistant Commander, Game Warden<br>Alcoholic Beverage, Assistant Commander<br>Internal Affairs, Deputy Division Director<br>(≤12 years of service) | | $69,264 | $69,264 | $69,264 | $69,264 |
| C10 | Public Safety, Major/Commander<br>Major/Commander, Game Warden<br>Alcoholic Beverage, Major<br>Internal Affairs, Deputy Division Director<br>(≥12 years of service) | | $73,424 | $73,424 | $73,424 | $73,424 |

## PART 3. SALARY ADMINISTRATION AND OTHER EMPLOYMENT PROVISIONS

Sec. 3.01. **Salary Rates.**

(a) For each fiscal year of the biennium beginning September 1, 2003, annual salary rates for classified positions are as provided by the Classification Salary Schedules of § 2.01.

(b) In addition to the limits under this Article, the State Classification Office shall review new exempt positions created during the interim and provide recommendations on the appropriate class title and salary group for these positions to the Legislature during the appropriations process.

(c) For the fiscal year beginning September 1, 2004, the salary of a classified employee shall be converted to the applicable salary schedule for fiscal year 2005 in this Act at the same salary rate in the same salary group in which paid in August 2004.

(d) There is no authority to grant salary increases as part of the conversion of employees to Salary Schedules A, B, and C, except in the cases of:

(1) across-the-board salary increases authorized in this Act; or

(2) employees whose positions are reallocated or reclassified in accordance with § § 654.0155, 654.0156, or 659.254, Government Code.

(e) Notwithstanding other provisions in this Act, agencies are authorized to pay salaries that are below or in excess of the designated salary ranges in § 2.01 as a result of the fiscal year 2004 conversion of employees to appropriate salary groups in Salary Schedules A and B. An employee hired by the State on or after September 1, 2003, including interagency transfers, must be paid at a salary rate that falls within the salary range of the applicable salary group.

(f) Notwithstanding other provisions in this Act, the Department of Public Safety of the State of Texas may pay its employees classified as Corporal I, II, III, IV, or V, Traffic Law Enforcement, at rates that exceed the maximum rates designated in Salary Schedule C by up to $600 per fiscal year.

(g) Employees within the Principals, Teachers, Supervisors, and Coaches title at the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, and Texas Youth Commission are not subject to the salary administration provisions in Part 3 of this Article.

Sec. 3.02. **Salary Supplementation.** Funds appropriated by this Act to a state agency or to an institution of higher education may not be expended for payment of salary to a person whose classified or exempt salary is being supplemented from other than appropriated funds until a report showing the amount and sources of salary being paid from other sources has been reported to the Secretary of State and Comptroller.

Sec. 3.03. **Classified Salary Rates.** An agency subject to Part 2 or Part 3 of this Article shall make employments of personnel as provided by the Position Classification Plan.

Sec. 3.04. **Salary Limits.** For the biennium beginning September 1, 2003, the rate for determining the expenditure limitations for merit salary increases and promotions under § 659.261, Government Code, is not limited by this Act as a percentage of the total amount spent by the agency in the preceding fiscal year for classified salaries.

Sec. 3.05. **Scheduled Exempt Positions.**

(a) Except for the positions listed under Subsection (b)(3), a position listed following an agency's appropriation in the agency's "Schedule of Exempt Positions" shall receive compensation at a rate not to exceed the amount indicated in that agency's "Schedule of Exempt Positions."

(b) (1) Notwithstanding the rate listed in an agency's "Schedule of Exempt Positions," a position listed in Subsection (b)(3) may receive compensation at a rate set by the Governor in an amount not to exceed the "Maximum Salary" but not less than the "Minimum Salary" for the appropriate group as listed in Subsection (b)(2).

(2) An exempt position listed in Subsection (b)(3) for which the term "Group," followed by an Arabic numeral, is indicated, may receive compensation at a rate within the range indicated below for the respective salary group indicated.

**Scheduled Exempt Position Salary Rates**

| Group | Minimum Salary | Maximum Salary |
|---|---|---|
| 1 | $ 40,000 | $ 70,788 |
| 2 | 54,228 | 83,784 |
| 3 | 64,200 | 99,192 |
| 4 | 76,068 | 117,516 |
| 5 | 90,060 | 139,140 |
| 6 | 106,692 | 164,748 |
| 7 | 164,748 | 189,000 |

| (3) | Agency | Position | Salary Group |
|---|---|---|---|
| (A) | Fire Fighters' Pension Commissioner: | Commissioner | Group 1; |
| (B) | Secretary of State: | Secretary of State | Group 4; |
| (C) | Office of State-Federal Relations: | Executive Director | Group 3; |
| (D) | Health and Human Services Commission: | Commissioner | Group 7; |
| (E) | Texas Education Agency: | Commissioner of Education | Group 6; |
| (F) | Adjutant General's Department: | Adjutant General | Group 3; |
| (G) | Criminal Justice Policy Council: | Executive Director | Group 3; |
| (H) | Texas Department of Criminal Justice: | Chair, Board of Pardons and Paroles | Group 3; |
| (I) | Texas Department of Criminal Justice: | Parole Board Members (17) | Group 3; |
| (J) | Texas Commission on Environmental Quality: | Commissioners (3) | Group 5; |
| (K) | Texas Department of Economic Development: | Executive Director | Group 4; |
| (L) | Texas Department of Housing and Community Affairs: | Executive Director | Group 4; |
| (M) | Texas Workforce Commission: | Commissioners (3) | Group 4; |
| (N) | State Office of Administrative Hearings: | Chief Administrative Law Judge | Group 3; |
| (O) | Texas Department of Insurance: | Commissioner of Insurance | Group 6; |
| (P) | Office of Public Insurance Counsel: | Public Counsel | Group 2; |

| | | | |
|---|---|---|---|
| (Q) | Public Utility Commission of Texas: | Commissioners (3) | Group 4; |
| | and | | |
| (R) | Office of Public Utility Counsel: | Public Counsel | Group 2. |

(c) In addition to all other requirements, any salary increase from appropriated funds within the limits provided by this Section and salary increases within the limit established under an agency's bill pattern, must be:

(1) in writing;

(2) signed by the presiding officer of the governing board;

(3) submitted to the Governor, the Legislative Budget Board and the Comptroller; and

(4) approved by the governing board in a public meeting.

(d) (1) Each title listed in a "Schedule of Exempt Positions" following an agency's appropriation authorizes one position for the agency unless the title is followed by an Arabic numeral indicating the number of positions authorized.

(2) The number of authorized positions for a title listed in a "Schedule of Exempt Positions" may be exceeded only:

(A) for the purpose of hiring a replacement in a key management position as certified by the chief administrator of the agency;

(B) if the current incumbent of the position has formally resigned or otherwise announced irrevocable plans to vacate the position;

(C) for a period of time not to exceed the equivalent of one month's salary per fiscal year per terminating incumbent (excluding time spent on the payroll for the purpose of exhausting accrued annual leave or state compensatory time); and

(D) if exceptions are reported as prescribed for payroll reporting procedures.

Sec. 3.06. **Evening, Night, Weekend Shift Pay: Registered Nurses and Licensed Vocational Nurses.** A state agency may pay an additional evening shift or night shift differential not to exceed 15 percent of the monthly pay rate to registered nurses or licensed vocational nurses who work the 3:00 p.m. to 11:00 p.m. shift, or its equivalent, or who work the 11:00 p.m. to 7:00 a.m. shift, or its equivalent. An additional weekend shift salary differential not to exceed five percent of the monthly pay rate may be paid to registered nurses and licensed vocational nurses. The weekend shift salary differential may be paid to an eligible individual in addition to the evening shift or night shift salary differential.

Sec. 3.07. **Retention Bonuses.**

(a) To enhance the retention of classified employees necessary for the operations of a state agency or institution of higher education, a state agency or institution of higher education may pay a bonus of up to $3,000 to an individual employed in a classified position deemed as necessary to the operations of the state agency or institution of higher education by the chief administrator of the state agency or institution of higher education. The employee

must remain with that agency or institution in a classified position for 12 months after the date of execution of a bonus contract.

(b) An agency may execute a bonus contract with a classified employee only after the employee has completed 12 months of employment in a classified position.

(c) The lump sum bonus amount may be included in the classified employee's paycheck the month after the end of the 12-month bonus period.

(d) Bonuses paid as provided by this section are specifically exempted from the salary limits of Section 3.04 and Chapter 659, Government Code.

(e) Before a contract may be made as provided by this section, the need to retain the necessary classified employee must be adequately documented by letter from the chief administrator of the state agency or institution of higher education to the Comptroller.

(f) The Comptroller shall interpret this Section to enhance the retention of classified employees.

## PART 4. EMPLOYMENT POLICIES AND PROVISIONS

Sec. 4.01. **Method of Salary Payments.** All annual salaries appropriated by this Act are for full-time employment unless specifically designated as part-time. This section may not be construed to prevent the chief administrator of an agency from paying less than the maximum salary rate specified in this Act for a position, or the employment of a part-time employee to fill a regular position provided for in this Act, so long as the salary rate for such part-time employee is proportional to the regular rate for full-time employment.

Sec. 4.02. **Exception - Contracts Less Than 12 Months.** Facilities of the Texas Youth Commission in Article V or institutions of higher education or the schools for the blind or deaf in Article III of this Act that make contracts for less than a twelve-month period may pay salaries in equal monthly payments for the period of the contract.

Sec. 4.03. **Matching Retirement and Certain Insurance.** In each instance in which an operating fund or account is created and named by statute, the responsible officials of the state may transfer into the operating fund or account sufficient moneys from treasury funds, local, institutional, or federal funds to pay proportionally the costs of matching state employees' retirement contributions and the state's share of Old Age and Survivors Insurance.

Sec. 4.04. **Per Diem of Board or Commission Members.**

(a) As authorized by § 659.032, Government Code, the per diem of state board and commission members consists of:

(1) compensatory per diem, if specifically authorized by law, at $30 per day;

(2) reimbursement of actual expenses for meals and lodging not to exceed $110 per day when traveling within this state and reimbursement of actual expenses for meals and lodging when traveling outside of this state in an amount not to exceed the rates specified for a state employee under this Act; and

(3) reimbursement of transportation and incidental expenses at the rates specified in this Act for state employees.

(b) If a law enacted after former Article 6813f, VTCS, (September 1, 1983), authorizes per diem for members of a particular state board or commission, but does not specify the amount of the per diem, then the amount of the per diem is the amount provided by Subsection (a).

(c) The funds appropriated by this Act may not be expended to reimburse members of a state agency advisory committee for expenses associated with conducting committee business, including travel expenses, unless the expenditures for an advisory committee are within the limits provided by subsection (f) below, and are:

(1) specifically authorized by this Act; or

(2) approved by the Governor and the Legislative Budget Board subsequent to the effective date of this Act.

(3) For the purpose of this subsection, the term "advisory committee" has the meaning assigned by § 2110.001, Government Code.

(4) This subsection does not apply to an advisory committee established by the governing board of a retirement system trust fund.

(5) This subsection applies only to an advisory committee that is subject to Chapter 2110, Government Code.

(d) An agency that has a "Schedule of Exempt Positions and Per Diem of Board (or Commission) Members" following the agency's appropriations may expend appropriations for board or commission member compensatory per diem in an amount not to exceed the amount specified in the schedule for each respective fiscal year.

(e) A full time employee paid from funds appropriated by this Act may not be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

(f) Reimbursement of Advisory Committee Members

(1) Unless otherwise provided for in this Act, and pursuant to Government Code, § 2110.004, total amounts expended in a fiscal year for reimbursement of expenses for advisory committee members by agencies and institutions out of funds appropriated to those entities may not exceed ninety percent (90%) of total expenditures for advisory committee member reimbursements by the agency or institution in fiscal year 2003 for each fiscal year of the biennium beginning September 1, 2003.

(2) Unless otherwise provided for in this Act, to the maximum extent possible, agencies and institutions shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

## EMPLOYMENT POLICIES AND PROVISIONS
(Continued)

Sec. 4.05. **Political Aid and Legislative Influence Prohibited.** The funds appropriated by this Act, regardless of source or character, may not be expended except in compliance with Chapter 556, Government Code.

Sec. 4.06. **Limitations on Use of Appropriated Funds.** Funds appropriated by this Act, other than those appropriated to an institution of higher education, may be expended only for items set out in the expenditure classifications of the Comptroller's Manual of Accounts insofar that an agency expending the appropriated funds has existing statutory authority for making the expenditures and the expenditures are not otherwise limited or prohibited in this Act.

Sec. 4.07. **Contract Workforce.**

(a) In this section, contract workers are defined as independent contractors, temporary workers supplied by staffing companies, contract company workers, and consultants.

(b) No appropriated funds may be expended for payment of a contract workforce in which the contract is executed, amended, or renewed on or after September 1, 2003, until an agency or institution:

(1) develops and documents comprehensive policies and procedures for its contract workforce;

(2) examines and documents the legal and personnel issues related to the use of a contract workforce;

(3) conducts and documents a cost benefit analysis of its current contract workforce prior to hiring additional contract workers or amending or renewing existing contracts; and

(4) documents why and how the use of contract workers fit into agency staffing strategies, including consideration of agency mission, goals and objectives, existing and future employee skills needed, compensation costs, productivity, nature of services to be provided, and workload.

Agencies shall consult the *Best Practices and Guidelines for Effectively Using a Contract Workforce* (SAO Report No. 99-326) when planning for and implementing the requirements of this section.

(c) No later than December 1 of each year of the biennium, an agency shall file with the Legislative Budget Board, the Governor, and the State Auditor a report on the agency's use of a contract workforce in the preceding fiscal year. The report shall be prepared according to a format prescribed by the State Auditor and shall include:

(1) a description of how the agency has complied with provisions of this rider; and

(2) an evaluation of the work performed by a contract workforce, including an assessment of whether work was completed on time, within budget, and according to contract specifications.

(d) The State Auditor shall notify the Comptroller and the Legislative Audit Committee if an agency fails to comply with this section.

(e) The State Auditor may require an agency to provide interim reports or additional information as necessary to ensure compliance with this section. The State Auditor may review each agency's report and follow up based on identified risks.

## PART 5. TRAVEL REGULATIONS

Sec. 5.01. **Travel Definitions.** The definitions established by § 660.002, Government Code, apply to Part 5 of this Article, unless another meaning is clearly provided. In Part 5 of this Article:

(1) "Council of governments" includes:

(A) a council of governments created under Chapter 391, Local Government Code;

(B) a regional planning commission created under Chapter 391, Local Government Code; or

(C) a regional planning agency created under Chapter 391, Local Government Code.

(2) "State agency" includes the entities within the definition of § 660.002(19) Government Code, and also includes a council of governments, a local workforce development board, or a MHMR community center, that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees.

Sec. 5.02. **General Travel Provisions.** The funds appropriated by this Act to a state agency for the payment of transportation, meals, lodging, or incidental expenses is the maximum amount that may be expended by the agency. The funds appropriated by this Act may not be expended for those expenses unless the travel and the resulting requests for payment or reimbursement comply with the conditions and limitations in this Act, Chapter 660, Government Code, and the Comptroller's Rules.

Sec. 5.03. **Failure to Comply.**

(a) If the State Auditor determines that the travel for which payment was made out of appropriated funds is not in compliance with Chapter 660, Government Code, the State Auditor shall so certify to the Comptroller. The Comptroller shall reduce the appropriation of the state agency that paid the travel expenses by an amount equal to the entire amount paid by the state agency for that individual for that travel occurrence.

(b) The Comptroller shall prepare an annual report indicating the appropriation reductions, by state agency, made pursuant to this section for the previous fiscal year. The Comptroller shall submit the report to the Legislative Budget Board not later than December 1.

Sec. 5.04. **Transportation Expenses.** For a state employee's use of a personally owned or leased motor vehicle, the mileage reimbursement rate, for travel occurring during a fiscal year, equals the maximum fixed mileage allowance specified in the revenue rulings issued by the Internal Revenue Service under the federal income tax regulations as of August 1 preceding the start of the fiscal year. The mileage reimbursement rate may not be less than 25 cents per mile or more than 30 cents per mile. The Comptroller shall announce the mileage reimbursement rate for a fiscal year as soon as possible after August 1 of the preceding year.

Sec. 5.05. **Transportation in Personally Owned or Leased Aircraft.**

(a) The rate of reimbursement to be paid to a key official, member of a board, commission, or a member of the Legislature for travel in the person's personally owned or leased aircraft, either within or without the boundaries of this state, is:

(1) 40 cents per highway mile when traveling in single-engine aircraft;

(2) 55 cents per highway mile when traveling in twin-engine aircraft; and

(3) one dollar per highway mile when traveling in turbine-powered or other aircraft.

(b) The rate of reimbursement for a state employee when the employee travels in the employee's personally owned or leased aircraft, either within or without the boundaries of this state, is:

(1) 40 cents per highway mile when traveling in single-engine aircraft; or

(2) 55 cents per highway mile when traveling in twin-engine, turbine-powered, or other aircraft.

Sec. 5.06. **Travel Meals and Lodging Expenses.**

(a) A state employee who travels within this state shall be reimbursed for the actual cost of lodging and meals. However, the reimbursements may not exceed $80 per day per location for lodging and $30 per day for meals.

(b) At the discretion of each chief administrator of a state agency, a state employee whose duties require the employee to travel outside the employee's designated headquarters without an overnight stay away from the employee's headquarters may be reimbursed for the actual cost of the employee's meals not to exceed $25 per day.

(c) A state employee who travels outside of this state but within the continental United States shall be reimbursed for the employee's actual expenses for lodging and meals. However, the reimbursement may not exceed the maximum out-of-state meals and lodging rates, based on the federal travel regulations, issued by the Comptroller unless the Comptroller determines, in advance of travel, that local conditions necessitate a change in the lodging rate for a particular location. If an employee travels to a location where an allowance has not been set by the Comptroller, the Comptroller shall establish a rate for that location.

(d) A state employee may receive reimbursements for the employee's actual expenses for meals and lodging when traveling outside the continental United States.

(e) A state agency or institution may reimburse a state employee for a meal or lodging expense the employee incurs while traveling outside the employee's designated headquarters for less than six consecutive hours if the reimbursement:

(1) receives the written approval by the chief administrator of the state agency or institution;

(2) meets the rules adopted by the Comptroller regarding reimbursement for traveling outside the employee's designated headquarters for less than six consecutive hours; and

(3) complies with § 660.206, Government Code.

Sec. 5.07. **Special Provisions Regarding Travel Expenses.** Reimbursement for meals and lodging as authorized by Subchapter H, Chapter 660, Government Code, on an "actual expenses" or "actual amount of" basis may not exceed twice the maximum rates specified in § 5.06 of this Article.

Sec. 5.08. **Aircraft.**

(a) Notwithstanding any other provision of this Act, the purchase of aircraft may not be made from appropriated funds except as authorized in this section.

(b) Agencies authorized to expend appropriated funds for the maintenance and operation of state-owned aircraft or replacements authorized by Subsection (d) are:

(1) Texas A&M University System;
(2) Texas Department of Criminal Justice;
(3) Texas Department of Transportation;
(4) Parks and Wildlife Department;
(5) Department of Public Safety of the State of Texas;
(6) University of Texas System;
(7) Texas State Technical College;
(8) Texas Forest Service; and
(9) State Aircraft Pooling Board.

(c) Notwithstanding any other provision of this Act, all state-owned aircraft (including aircraft forfeited to or seized by a particular agency) are subject to the authority of the State Aircraft Pooling Board under Chapter 2205, Government Code.

(d) Expenditure of appropriated funds for replacement of aircraft with aircraft of comparable quality may be made contingent upon approval of the State Aircraft Pooling Board and a finding of fact by the Governor that a report has been filed with the Governor showing that:

(1) the aircraft to be replaced has been destroyed or has deteriorated to an extent that continued operation presents a serious hazard or that the aircraft to be replaced can no longer meet the mission requirements of the principal user state agency; and

(2) other state-owned aircraft cannot be effectively utilized in lieu of a replacement aircraft.

(e) Expenditures necessary to purchase liability insurance pursuant to § 2205.045(a), Government Code, shall be made on a pro rata basis, as determined by the State Aircraft Pooling Board, from appropriations authorized to each agency operating a state-owned aircraft. The Comptroller shall transfer such necessary amounts from agencies operating aircraft to the State Aircraft Pooling Board for the purchase of liability insurance and expenditure of such funds by the Board is hereby authorized.

(f) Any reimbursements received by a state agency for authorized aircraft services rendered to another state agency are hereby appropriated to the agency receiving the reimbursements, and shall be credited to the agency's appropriation item from which the cost of aircraft operation is paid.

Sec. 5.09. **Limitation on Travel Expenditures.**

(a) In this section "travel" refers only to travel outside the state of Texas, except as set forth in subsection (k) of this section.

(b) (1) None of the funds appropriated by this Act may be expended, without the prior approval of the Legislative Budget Board, for travel purposes if such expenditure would cause the agency's or institution's travel expenditures for that fiscal year to exceed an amount equal to 100 percent of that agency's or institution's fiscal year 2000 amount of travel expenditures including any excess travel expenditure amounts approved by waiver.

(2) The general limitations provided by this subsection apply in addition to the limits of any additional agency specific limitation.

(3) In the event that a state agency or institution had, as determined by the Comptroller, no expenditures for travel outside the state of Texas during fiscal year 2000, the general limitations provided by subsection (b)(1) shall not apply, but out-of-state travel spending may not exceed in either year of the biennium the amount spent for that purpose in the last state fiscal year in which out-of-state travel occurred.

(c) The Legislative Budget Board may consider requests from agencies which demonstrate circumstances which would make such reductions in actual travel impractical or inefficient in accomplishing the goals and strategies contained in their appropriations pattern. Such circumstances may include: new or expanded programs, law enforcement, tax collection activities, statutorily mandated travel, or other pressing public purposes.

(d) The Comptroller shall prescribe accounting procedures and reporting requirements to administer this section and to ensure that expenditures for travel by all state agencies and institutions of higher education are properly reported and monitored.

(e) (1) Upon notification by the Comptroller that a state agency or institution of higher education has exceeded the travel cap limit as specified in Subsection (b) of this Section for two consecutive fiscal years without the written approval of the Legislative Budget Board, the state agency or institution of higher education may not pay or reimburse with funds appropriated by this Act, a travel expense for travel to conventions, conferences, or seminars except as provided by this Subsection (e).

(2) The Comptroller may allow a state agency or institution of higher education to reimburse or pay a travel expense incurred by an employee on or after the date the agency or institution receives notice of its exceeding the limits if:

(A) the expense is incurred while the employee is returning to the employee's designated headquarters;

(B) the reimbursement or payment is necessary to prevent unreasonable hardship to the employee; or

(C) the expense is incurred while the employee is completing official state business that the agency or institution deems critical to fulfillment of the agency's or institution's constitutional or statutory duties.

(3) The Comptroller shall notify the Legislative Budget Board if the Comptroller allows such a payment or reimbursement. The notification must include the reason that the payment or reimbursement is allowed. The Legislative Budget Board may then direct the Comptroller to reduce the agency's or institution's appropriation by the amount of the payment or reimbursement if in the Legislative Budget Board's opinion the payment was the result of an agency failing to comply with the notification by the Comptroller.

(f) All documents filed by an appointed officer under this section are public information. In this section, the term "public information" has the meaning provided by Chapter 552, Government Code.

(g) In this section "appointed officer" includes all persons included under the definition provided by Chapter 572, Government Code, except that for the purposes of the definition of "appointed officer," the term "state agency" also includes a council of governments, a local workforce development board, or a mental health mental retardation community center that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees or officials. For the purpose of this provision, the term "council of governments" shall include a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code.

(h) An appointed officer may not receive reimbursement from funds appropriated by this Act for expenses related to travel before filing with the Texas Ethics Commission copies of all documents that will be submitted to the Comptroller and Legislative Budget Board in support of the travel expense claim.

(i) Funds appropriated by this Act may not be used to pay expenses for a trip to foreign countries, except for Canada or Mexico, unless the board or commission of each state agency and institution of higher education has approved the travel before departure. A copy of the approval must be attached to each travel voucher submitted to the Comptroller. By October 1 of each year, each agency and institution of higher education must submit a report on all foreign travel with required approvals to the Governor and the Legislative Budget Board.

(j) In implementing this rider, state agencies shall review their travel policies in order to ensure that travel which is critical to the delivery of services consistent with the mission of the agency is not affected.

(k) Travel expenses incurred within the Washington, D.C. area by the Office of State-Federal Relations (OSFR) and by state agencies and institutions of higher education that are represented by their employees in the Washington, D.C. office of OSFR shall be considered in-state travel for the purpose of calculating the agencies' compliance with out-of-state travel limitation provisions.

Sec. 5.10. **Mileage Reimbursement Reduction.** The Comptroller shall reduce General Revenue appropriations to agencies for the 2004–05 biennium by an aggregate amount of $3,600,000 for fiscal year 2004 and an aggregate amount of $3,600,000 for fiscal year 2005. General revenue reductions made by this section shall be applied to each agency based on the percentage of general revenue expended by the agency in fiscal year 2002 for mileage reimbursement to the total annual general revenue reduction specified for each fiscal year by this section. The Comptroller shall develop instructions related to making this reduction.

## PART 6. GENERAL LIMITATIONS ON EXPENDITURES

Sec. 6.01. **Definitions.**

In this Act:

(a) "Earned federal funds" means all moneys received in connection with each entitlement period of a federally funded contract, grant, or program, excluding reimbursements under § 8.02(c), which are not required by the governing agreement to be disbursed thereon. Typically, earned federal funds arise from recoveries of costs previously paid from a nonfederal fund source, indirect cost allocations, interest earned on federal funds, and minor sources such as the sale of fixed assets purchased with federal funds. Except for state agencies of higher education and their affiliated agencies, the expenditure of funds received or earned by a state agency is limited to the appropriation authority granted to the agency. Any such excess funds remaining at the end of the 2002–03 biennium for an agency shall be returned to the General Revenue Fund. A state agency or institution participating in federally funded or other programs, where indirect cost reimbursements are an allowable part of charges to the program, shall establish procedures to maximize the recovery of such costs.

(b) "Unexpended balance" or the abbreviation "UB" means the unobligated balance remaining in an appropriation, i.e., only that part of an appropriation, if any, that has not been set apart by the incurring of an obligation, commitment, or indebtedness by the state agency authorized to spend the appropriation. A reference in this Act to "unexpended balance" or "UB" is a reference to the unobligated balance of an amount appropriated by this Act for the fiscal year ending August 31, 2004, unless another meaning is clearly indicated.

Sec. 6.02. **Interpretation of Estimates.** In the event the amounts of federal funds, local funds, or funds other than appropriations from the General Revenue Fund, have been estimated in this Act in sums greater than are actually received by the respective agencies of the state, this Act may not be construed as appropriating additional funds from General Revenue to make up such differences. Wherever the language of this Act appropriates all receipts or balances from a specified source but uses an estimated amount to inform the Legislature and the public, the estimated figure is not to be construed as a limitation on the amount appropriated.

Sec. 6.03. **Emergency and Deficiency Grants Out of Special Funds.** For the purposes of §§ 401.061 and 403.075, Government Code, appropriations to the Office of the Governor from "special funds" include excess revenues from General Revenue Fund-Dedicated accounts that were previously special funds above those estimated by the Comptroller in certifying this Act.

Sec. 6.04. **Excess Obligations Prohibited.**

(a) An agency specified in this Act may not incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named.

(b) As a specific exception to Subsection (a) the Texas Building and Procurement Commission may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request.

(c) A determination made by the Texas Building and Procurement Commission under Subsection (b) may be made for obligations incurred for the purchase or lease of automated information system equipment only if the agency has on file with the Legislative Budget Board a Biennial Operating Plan, including any amendments to the Biennial Operating Plan, and the plan has been approved by the Legislative Budget Board.

(d) If this section is violated, the State Auditor shall certify the fact of the violation and the amount of over-obligation to the Comptroller, and the Comptroller shall deduct an amount equivalent to the over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation.

(e) This provision is specified pursuant to § 10, Article XVI, Texas Constitution.

Sec. 6.05. **Interpretation of Legislative Intent.** Funds appropriated by this Act shall be expended, as nearly as practicable, for the purposes for which appropriated. In the event an agency cannot determine legislative purpose from the pattern of appropriations, the agency shall seek to determine that purpose from the proceedings of the legislative committees responsible for proposing appropriations for this state.

Sec. 6.06. **Comptroller's Duty to Pay.** The Comptroller may not refuse to pass for payment a legal claim, factually justified, for which a valid appropriation has been made.

Sec. 6.07. **Last Quarter Expenditures.**

(a) A state agency or other governmental unit using funds appropriated by this Act may not expend during the last quarter of a fiscal year more than one-third of the funds appropriated for that fiscal year.

(b) Specifically exempted from Subsection (a) are:

(1) expenditures contracted for in previous quarters;

(2) funds required by statute, rule or regulation to be expended on a different time frame;

(3) seasonal employment of personnel;

(4) construction contracts;

(5) contracts dealing with purchases of food, medicines, or drugs;

(6) expenditures related to the Children with Special Health Care Needs (formerly known as "CIDC") program operated by the Texas Department of Health; and

(7) expenditures occasioned by disaster or other Act of God.

(c) The funds exempted, under Subsection (b) may not be considered in the computation of the total funds appropriated in a fiscal year for the purpose of applying Subsection (a).

Sec. 6.08. **Appropriation Transfers.**

(a) Subject to any specific restriction in another provision of this Act, an appropriation contained in this Act may be transferred from one appropriation item to another appropriation item in an amount not to exceed 25 percent of the appropriation item from which the transfer is made for the fiscal year, at the discretion of the chief administrative officer of the state agency or institution.

(b) As a specific exception to Subsection (a), funds appropriated for capital budget items are subject to restrictions contained elsewhere in this Act.

(c) Funds appropriated by this Act in items of appropriation that are part of a Goal for "Indirect Administrative and Support Costs" or "Indirect Administration" may also be transferred from one appropriation item to another appropriation item within that same Goal without limitation as to the amount of such a transfer.

(d) Appropriations made by this Act to each state agency or institution of higher education are not subject to transfer between agencies or institutions except under the provisions of interagency contract, budget execution statutes, or specific rider or statutory authorization.

Sec. 6.09. **Transfers for Contract Services.** Funds appropriated in the various Articles of this Act for "Employees Retirement System," "Social Security State Match," and "Benefit Replacement Pay" may be transferred between Articles for similar appropriation items for the purpose of paying employee benefits costs incurred by higher education institutions when those institutions have contracted to provide services to state agencies.

Sec. 6.10. **Employee Benefit and Debt Service Items.**

(a) Funds appropriated in the various Articles of this Act for "Employees Retirement System," "Social Security State Match," "Benefit Replacement Pay," "Texas Public Finance Authority-G.O. Bond Debt Service Payments," and "Lease-Payments to the Texas Public Finance Authority" may be transferred between Articles to a like appropriation item without limitation as to the amount of such transfer.

(b) An agency to which an appropriation listed under Subsection (a) is made may pool such appropriations, made in the various Articles for a common purpose, into a single cost pool for the purpose of administering the appropriation.

Sec. 6.11. **Salaries to Be Proportional by Fund.**

(a) Unless otherwise provided, payment for salaries, wages, and benefits paid from appropriated funds, including "local funds" and "education and general funds" as defined in § 51.009 (a) and (c), Education Code, shall be proportional to the source of funds.

(b) Unless otherwise specifically authorized by this Act, the funds appropriated by this Act out of the General Revenue Fund may not be expended for employee benefit costs, or other

indirect costs, associated with the payment of salaries or wages, if the salaries or wages are paid from a source other than the General Revenue Fund. Payments for employee benefit costs for salaries and wages paid from sources, including payments received pursuant to interagency agreements or as contract receipts, other than the General Revenue Fund shall be made in proportion to the source of funds from which the respective salary or wage is paid or, if the Comptroller determines that achieving proportionality at the time the payment is made would be impractical or inefficient, then the General Revenue Fund shall be reimbursed for any such payment made out of the General Revenue Fund.

(c) The Comptroller shall develop rules to provide for the administration of this section.

(d) Each agency or institution of higher education having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a schedule demonstrating proportionality. The schedule shall be filed before November 20th following the close of the fiscal year for the salaries, wages, and benefits of the preceding year ended August 31. The schedule shall be in a format prescribed by the Comptroller. The State Auditor shall review the agencies' compliance with this section. The Comptroller, on receipt of notification from the State Auditor of amounts disproportionally paid from General Revenue Fund appropriations, shall reduce current year General Revenue Fund appropriations of the agency or institution until such time as such amounts are repaid from sources other than the General Revenue Fund.

Sec. 6.12. **Appropriations from Special Funds.** Notwithstanding other provisions of this Act, appropriation amounts from special funds or special accounts in the General Revenue Fund are specifically limited to amounts not to exceed the actual balances and revenues available to each such fund or account.

Sec. 6.13. **Limitation on Grants to Units of Local Government.**

(a) The funds appropriated by this Act may not be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the funds received under the grant or contract will be expended subject to limitations and reporting requirements similar to those provided by:

(1) Parts 2 and 3 of this Article (except there is no requirement for increased salaries for local government employees);

(2) §§ 556.004, 556.005, and 556.006, Government Code;

(3) §§ 2113.012 and 2113.101, Government Code;

(4) § 6.28 of this Article (Performance Rewards and Penalties);

(5) § 7.01 of this Article (Budgeting and Reporting);

(6) § 7.02 of this Article (Annual Reports and Inventories); and

(7) § 2102.0091, Government Code.

(b) In this section, "unit of local government" means:

(1) a council of governments, a regional planning commission, or a similar regional planning agency created under Chapter 391, Local Government Code;

(2) a local workforce development board; or

(3) a MHMR community center.

Sec. 6.14. **Limitation on State Employment Levels.**

(a) Without the written approval of the Governor and the Legislative Budget Board, a state agency or institution of higher education may not use funds appropriated by this Act to pay the salaries of a number of employees which would cause the number of full-time equivalent employees (FTEs) paid from funds appropriated by this Act by the state agency or institution of higher education for a fiscal quarter to exceed the figure indicated by this Act for that state agency or institution.

(b) A request to exceed the FTE limitation established by this section must be submitted by the governing board of the state agency or institution of higher education and must include at a minimum:

(1) the date on which the board approved the request;

(2) a statement justifying the need to exceed the limitation;

(3) the source of funds to be used to pay the salaries; and

(4) an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.

(c) For the purpose of Subsection (a), the number of FTEs employed by a state agency (not including an institution of higher education or an affiliated entity, the State Preservation Board, Parks and Wildlife Department, Texas School for the Blind and Visually Impaired, Texas School for the Deaf, and Texas Commission on Environmental Quality) for a fiscal quarter:

(1) shall be determined in accordance with the report filed pursuant to § 2052.103, Government Code;

(2) shall only include employees paid with funds appropriated through this Act;

(3) shall not include overtime hours; and

(4) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(d) For the purpose of Subsection (a), the number of FTEs employed by the State Preservation Board, Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or an institution of higher education or an affiliated entity, for a fiscal year:

(1) shall be determined in accordance with the reports filed pursuant to § 2052.103, Government Code;

(2) shall be an average of the four reports filed for that fiscal year;

(3) shall include employees paid with funds appropriated through this Act;

(4) shall not include overtime hours; and

(5) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(e) This section shall not apply to appropriations made by this Act to the:

(1) Office of the Governor; or

(2) Comptroller when that agency has determined by a cost/benefit analysis that an outsourcing or contracting arrangement provides savings to this State.

(f) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this section.

Sec. 6.15. **Purchases of Postage.**

(a) If the expenditures for postage by an agency, other than the Legislature or an institution of higher education, exceed $4,000 for a fiscal year, the agency shall purchase postage only in accordance with § 2113.103(c), Government Code.

(b) The amount received by an agency as a refund of postage used by the agency shall be deposited in the fund to the credit of the appropriation from which postage for the agency is paid and is hereby appropriated to the agency for postage use.

Sec. 6.16. **Publication or Sale of Printed, Recorded, or Electronically Produced Matter or Records.**

(a) Funds appropriated by this Act may not be used for the publication, recording, production, or distribution of any item or matter, including lists, notices, pamphlets, video tapes, audio tapes, microfiche, films or other electronically produced information or records unless such publication, recording, or production is:

(1) essential to accomplish or achieve a strategy or outcome target established by this Act; or

(2) required by law.

(b) Any funds received and collected from any charges specifically authorized by statute for the productions, publications, or records are hereby appropriated to the agency issuing the productions, publications, or records for use during the year in which the receipts are collected. The Comptroller shall credit such receipts to the like appropriation item from which the original costs are paid.

Sec. 6.17. **Limitation on Expenditures - Capital Budget.**

(a) Contained in appropriations made to certain agencies by this Act are amounts identified as the "Capital Budget." Except as provided under this Section, none of the funds appropriated by this Act, in excess of amounts restricted to capital budget purposes, may be expended for capital budget purposes without the prior approval of the Governor and Legislative Budget Board.

(b) A request for approval to exceed the transfer limitation on capital budget expenditures under Subsection (i) must be submitted by the agency's governing board and must include at a minimum:

(1) the date on which the board approved the request;

(2) a statement justifying the need to exceed the limitation;

(3) the source of funds to be used to make the purchases; and

(4) an explanation as to why such expenditures cannot be deferred.

(c) This restriction does not apply to:

(1) expenditures for capital outlay items or projects that are not included in the definition of "Capital Budget" under Subsection (d); or

(2) expenditures for Capital Budget purposes made by:

(A) institutions of higher education; or
(B) public community/junior colleges.

(d) "Capital Budget" includes expenditures, for assets with a biennial project cost or unit cost in excess of $25,000, within the following categories:

(1) Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation);

(2) Construction of Buildings and Facilities;

(3) Repairs or Rehabilitation of Buildings and Facilities;

(4) Construction of Roads (except for such expenditures made by the Texas Department of Transportation);

(5) Acquisition of Information Resource Technologies;

(6) Transportation Items;

(7) Acquisition of Capital Equipment and Items; or

(8) Other Lease Payments to the Master Lease Purchase Program (for items acquired prior to September 1, 2003 only).

(e) Any expenditure directly related to acquisition of an asset, or to placing an asset in service, may be paid from the appropriation made to the "Capital Budget."

(f) In implementing this section, the Comptroller should refer to the detailed instructions for preparing and submitting requests for legislative appropriations for the biennium beginning September 1, 2003, and the definitions therein, and to the official request for legislative appropriations submitted by the affected agency.

(g) Appropriations restricted to capital budget purposes and not identified in a "Capital Budget" as being for lease payments to the master lease purchase program (MLPP) or for other lease-purchase payments may be utilized to make lease payments under MLPP or for other lease or installment payments only if the agency to which the appropriation is made provides a report to the Comptroller specifying the sum of the lease payments to be made during the biennium for the Capital Budget item being acquired. The Comptroller shall reduce the appropriation made by this Act for the Capital Budget item in an amount equal to the difference between the appropriated amount and the sum of the lease payments for the biennium and deposit that amount into the unappropriated balance of the original funding source. In the event that the Comptroller cannot determine the amount appropriated for a specific Capital Budget item, the amount shall be determined by the Legislative Budget Board.

(h) Funds restricted to "Acquisition of Information Resource Technologies" may also be used to purchase or contract for computer time, facility resources, maintenance, and training.

(i) (1) An agency may transfer appropriations:
(A) from a non-capital budget item to a capital budget item;
(B) from a capital budget item to another capital budget item; or
(C) from a capital budget item to an additional capital budget item not presented in the agency's bill pattern.

(2) Without the approval of the Governor and the Legislative Budget Board:
(A) the amounts transferred during a fiscal year as provided by Subdivision (1) of this Subsection (i) may not exceed 25 percent of either:
(i) the amount of the capital budget item, as presented in the agency's bill pattern from which funds are being transferred; or
(ii) the amount of the capital budget item, if presented in the agency's bill pattern, to which funds are being transferred;

(B) appropriations may not be transferred directly from a non-capital budget item to an additional capital budget item not presented in the agency's bill pattern;

(C) appropriations may not be transferred to an additional capital budget item that is not presented in the agency's bill pattern if that additional capital budget item was presented to a committee, subcommittee, or working group of the Seventy-eighth Legislature but was not adopted by the Seventy-eighth Legislature; and

(D) an agency that does not have a capital budget provision following its items of appropriation in this Act may not use funds appropriated by this Act for capital budget purposes.

(j) Any unexpended balances remaining in appropriations made by this Act for capital budget purposes for fiscal year 2004 are hereby appropriated for fiscal year 2005 for the same purpose.

Sec. 6.18. **Construction Policy.** A state entity receiving an appropriation under this Act may not establish a rule or policy that is inconsistent with the legislative intent that funds appropriated by this Act for construction projects be expended only pursuant to state entity policies that provide the greatest competitive advantage to the state allowable under Chapter 2258, Government Code.

Sec. 6.19. **Limitation on Use of Funds for Personal Residences.**

(a) Out of appropriations made by this Act, expenditures exceeding an aggregate amount of $25,000 for the biennium beginning on September 1, 2003, may not be made for purchasing, remodeling, or repairing of a personal residence or living quarters unless the expenditures are:

(1) (A) required by court order;

(B) will result in increased safety, significant net cost savings, or prevention of substantial waste; or

(C) are specifically identified in a Capital Budget in this Act; and

(2) the Governor and Legislative Budget Board have approved the expenditure under authority granted pursuant to Article XVI, § 69, Texas Constitution.

(b) In the event of an emergency or if the Legislative Budget Board fails to meet before the 30th day following the date of the request, the Director of the Legislative Budget Board, after consultation with the Board members, may take action in conjunction with the Governor on the request.

(c) The Texas Building and Procurement Commission shall report all expenditures exceeding an aggregate amount of $25,000 for the biennium for purchasing, remodeling, or repairing a personal residence or living quarters to the Legislative Budget Board.

Sec. 6.20. **Grant Restriction.** Funds appropriated by this Act may not be expended for a grant to a law enforcement agency regulated by Chapter 1701, Occupations Code, unless:

(1) the law enforcement agency requesting the grant is in compliance with all rules developed by the Commission on Law Enforcement Officer Standards and Education; or

(2) the Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

Sec. 6.21. **Expenditures for State-Federal Relations.**

(a) Funds appropriated by this Act may not be spent by a state agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations to perform except when an interagency contract has been executed between the Office of State-Federal Relations and the state agency.

(b) Prior to travel to Washington, D.C., state agency personnel shall inform the Office of State-Federal Relations regarding:

(1) the timing of the trip;

(2) the purpose of the trip; and

(3) the name of a contact person for additional information.

Sec. 6.22. **Research Policy.**

(a) An agency may not expend any funds appropriated by this Act for research projects of any type until the agency has adopted and filed with the Legislative Budget Board a policy that clearly establishes and protects the property rights of the state with regard to any patentable product, process, or idea that might result from such research.

(b) In order to avoid duplication, a state agency, excluding an institution of higher education, may not expend funds appropriated by this Act to conduct or support policy research on a subject within the statutory jurisdiction of another agency without providing prior written notification, to the agency that has the statutory jurisdiction, concerning a work plan and the coordination of resources.

Sec. 6.23. **Court Representation and Outside Legal Counsel.**

(a) Except as otherwise provided by the Constitution or general or special statutes, the Attorney General shall have the primary duty of representing the State in the trial of civil cases. Prior to expenditure of funds for retaining outside legal counsel, agencies or departments (other than those included in Article X of this Act) shall request the Attorney General to perform such services. If the Attorney General determines that outside counsel is in the best interest of the State, the Attorney General shall so certify to the Comptroller and to the requesting agency which may then utilize appropriated funds to retain outside counsel. However, funds appropriated by this Act may not be used to contract with an attorney who represents clients before the agency or who has, during a six month period preceding the initiative of the contract and a six month period following the termination of the contract, represented clients before the agency. An agency may not initiate the process of selecting outside legal counsel prior to receiving the approval of the Attorney General to retain outside counsel.

(b) Funds appropriated in this Act may not be expended by any agency of the state government (other than those included in Article X of this Act) to initiate a civil suit or defend itself against a legal action without the consent of the Attorney General. Absent this consent, the agency shall be represented in that particular action by the Attorney General.

(c) On receipt of a request for outside counsel, the Attorney General shall make a determination on the request as expeditiously as possible, but in no event later than 10 working days after receiving such request.

## GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

(d) Where the Attorney General, district attorney, criminal district attorney, county attorney, or other lawyer is required by constitutional or statutory provision to represent a state agency, state official, state board, or state department, compensation may not be paid from any appropriation made in this Act to any other attorney for representing the State in the trial of a civil suit except in those cases where the Attorney General consents to such representation or the district attorney, criminal district attorney, county attorney, or other lawyer has requested that the attorneys employed by the particular state agency, state official, state department, or state board assist with the trial of the particular civil suit.

(e) This section does not restrict a state agency, state official, state department, or state board in the investigation and assembling of evidence in connection with a pending or prospective civil suit. This section does not prohibit the foregoing state officials, state agencies, state boards, or state departments and their employees from investigating, filing, or presenting to any person a claim, owing to the State.

(f) This section does not restrict the Attorney General from employing special assistants to assist in the trial of civil suits to be paid from the appropriations therefore made to the Attorney General.

(g) If a state agency requests the Attorney General to take legal action in court against another state agency, the Attorney General shall give special consideration to permitting one of the agencies to employ, from the permitted agency's funds, outside counsel to represent that agency in that action, in order to avoid a conflict of interest by the Attorney General in the representation of both agencies.

(h) If the Attorney General initiates legal action against another state agency on behalf of the Attorney General rather than another agency, the Legislature determines that a conflict of interest exists and the agency against which the Attorney General takes action may expend appropriated funds for outside legal counsel to represent that agency without the prior approval or consent of the Attorney General.

(i) Subsections (a) - (h) do not apply to funds appropriated to:

(1) the Office of the Governor;

(2) Comptroller;

(3) Department of Agriculture;

(4) General Land Office and Veteran's Land Board; or

(5) the Railroad Commission of Texas.

(j) The funds appropriated by this Act may not be expended to pay the legal fees or expenses of a lawyer or law firm that represents the State or any of its agencies in a contested matter if the lawyer or law firm is representing a plaintiff in a proceeding seeking monetary damages from the State or any of its agencies.

## GENERAL LIMITATIONS ON EXPENDITURES
(Continued)

(k) (1) None of the money appropriated by this Act may be expended by a state governmental entity for payment of legal fees or expenses under a contingent fee contract for legal services without the prior approval of the Legislative Budget Board in accordance with Article XVI, § 69, Texas Constitution.

(2) For purposes of this section, "state governmental entity" means a board, commission, department, office, or other agency in the executive branch of state government created under the constitution or a statute, including an institution of higher education.

(3) This section applies to all contingent fee contracts for legal services entered into by a state governmental entity, including legal services related to a parens patriae action or proceeding brought by a state governmental entity in the name of the state, except that this section does not apply to a contingent fee contract:

(A) for legal services performed for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapters 36, 66, 96, or 126, Finance Code; or

(B) under which recoveries from more than one entity are contemplated and the expected amount of each recovery and the actual amount of each recovery do not exceed $100,000.

(l) Any litigation that results in settlement, court order or other arrangement providing revenues or financial benefits to the State of Texas shall be structured to require the entire amount due to be paid to the treasury.

(m) (1) None of the money paid to a state governmental entity (as a result of a settlement of litigation, or other arrangement providing revenues or financial benefits as a result of litigation) may be expended by any person unless the Legislative Budget Board is notified in writing regarding the terms of the settlement or other arrangement and the state governmental entity's plans for the use of the money. The written notice must be delivered to the Legislative Budget Board by or on behalf of the state governmental entity 12 or more days before the date of authorization, execution, or other creation of evidence of the approval of the settlement or other arrangement by the state governmental entity.

(2) This subsection does not apply to a settlement of litigation, court order resulting from litigation, or other arrangement providing revenues or financial benefits as a result of litigation:

(A) for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapters 36, 66, 96, or 126, Finance Code; or

(B) under which recovery to the state governmental entity does not exceed $500,000.

Sec. 6.24. **Judgments and Settlements.**

(a) The funds appropriated by this Act, including appropriations made in Article X of the Act, may not be expended for payment of a judgment or settlement prosecuted by or defended by the Attorney General and obtained against the State or a state agency, except:

(1) pursuant to this section; or

(2) where it is specifically provided in an item of appropriation that the funds thereby appropriated or expenditures therein authorized may be used for the payment of such judgments.

(b) The authorization provided by this subsection does not apply in those cases where the judgment order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995. State agencies appropriated funds by this Act may expend funds appropriated elsewhere in this Act for the purposes of paying settlements and judgments against the state for causes brought in a federal court or a court in this state under specific statutory authority. Payments made pursuant to this subsection are subject to the following processes and limitations:

(1) such funds are to be paid out by the Comptroller on vouchers drawn by the agency settling the lawsuit or paying the judgment, subject to the approval of the Governor and of the Attorney General according to Subsection (d);

(2) for purposes of this subsection, "judgment" means a judgment order rendered in a federal court or a court in this state for which an appeal or rehearing, or application therefore, is not pending and for which the time limitations for appeal or rehearing have expired;

(3) the payment of a settlement or judgment may not exceed $250,000;

(4) the payment of the settlement or judgment would not cause the total amount of payments made by the payer agency for that fiscal year to exceed 10 percent of the total amount of funds available for expenditure by that agency for that fiscal year; and

(5) the payment of a settlement or judgment may be made only with a complete release from any and all related claims and causes against the State, and in the case of a judgment, the payment may be made only in full satisfaction of that judgment.

(c) A state agency shall report a claim for property damage to the Attorney General not later than the second working day after the date the agency receives the claim. A state agency shall prepare a voucher for payment of a claim not later than the 10th working day after the date an agreement to settle the claim has been reached.

(d) Payment of all judgments and settlements prosecuted by or defended by the Attorney General is subject to approval of the Attorney General as to form, content, and amount, and certification by the Attorney General that payment of the judgment or settlement is a legally enforceable obligation of the State. This subsection applies equally to funds appropriated for expenditure through the state treasury, as well as funds appropriated for expenditure from funds held in local banks.

(e) The Attorney General shall report to the Legislative Budget Board and the Governor not less than monthly, a listing of all settlements and judgments of more than $5,000 submitted to the Comptroller for payment. The document for publication shall contain at least the following information unless all or part of the information is exempt by court order or Chapter 552, Government Code, (the Open Records Act):

(1) a summary of the cause of action;

(2) a summary of the terms of the settlement;

(3) the style of the case;

(4) the name and business address of each attorney representing the opposing litigants at the time of the settlement;

(5) the amount of the judgment or settlement;

(6) the fund or account from which payment was or should be made;

(7) the statutory citation for the appropriation or other authority to be made;

(8) specific statutes granting waiver of sovereign immunity or legislative resolution granting litigant permission to sue;

(9) the date of judgment or settlement; and

(10) other information as the Legislative Budget Board may request and in the form requested by the Legislative Budget Board.

(f) The State Auditor may verify compliance with this section for all funds appropriated in this Act, including funds that are retained and expended from accounts held outside the state treasury and that are not subject to reimbursement through funds held in the state treasury. On verification that an agency has not obtained the Attorney General's approval prior to payment of a judgment or settlement, the State Auditor may certify such fact to the Comptroller. The Comptroller may withhold all appropriations for administrative expenses for the involved agency, until the Legislative Audit Committee notifies the Comptroller that the agency's non-compliance has been reviewed and necessary recommendations or changes have been made.

Sec. 6.25. **Expenditures for Representatives of Grievants Prohibited.**

(a) The funds appropriated by this Act may not be used to pay expenses for salary, travel, or per diem of a public employee who represents grievants in the presentation of grievances concerning wages, hours of work, or conditions of work.

(b) Notwithstanding Subsection (a), a state employee may take annual leave, compensatory leave, or leave without pay, subject to the procedures established by the state employee's agency of employment, to engage in this activity.

Sec. 6.26. **Agricultural Soil and Water Conservation.** Appropriations made elsewhere in this Act to the Texas Water Development Board, State Soil and Water Conservation Board, Texas Agricultural Experiment Station, or the Texas Cooperative Extension out of the Agricultural Soil and Water Conservation Fund Account No. 563 shall be allocated to each of those agencies in equal amounts.

Sec. 6.27. **Limitation on Expenditures for Purchases and Conversions of Alternative Fuel Vehicles.** A state agency, including an institution of higher education, that is required to meet the percentage requirements for vehicles capable of using alternative fuels under Chapter 2158, Government Code, may expend funds appropriated by this Act for the purpose of meeting the percentage requirements only if the agency purchases or converts a vehicle that uses the most cost-effective, fuel efficient and mechanically efficient alternative fuel source.

Sec. 6.28. **Performance Rewards and Penalties.**

(a) It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of each state agency and institution. In order to achieve the objectives and service standards established by this Act, agencies and institutions shall make every effort to attain the designated key performance target levels associated with each item of appropriation.

(b) To support and encourage the achievement and maintenance of these appropriated annual performance levels, continued expenditure of any appropriations in this Act shall be contingent upon compliance with the following provisions:

(1) Agencies and institutions, in coordination with the Legislative Budget Board, shall establish performance milestones for achieving targets within each annual budget and performance period; time frames for these milestones and the related performance reporting schedule shall be under guidelines developed by the Legislative Budget Board.

(2) Agencies and institutions shall provide testimony as to the reasons for any performance variances to the Senate Finance Committee and the House Appropriations Committee, as determined to be necessary by those committees; assessments of agency and institution performance shall be provided to the committees under guidelines and procedures developed by the Legislative Budget Board.

(c) Upon a finding that an agency or institution has successfully met or exceeded performance expectations, or has failed to achieve expected performance levels, the Legislative Budget Board, and the Governor, may adopt a budget execution order, which may include but is not limited to, one or more of the following:

(1) Positive Incentives/Rewards - Increased funding, exemption from reporting requirements, increased funding transferability, formalized recognition or accolade, awards or bonuses, expanded responsibility, or expanded contracting authority; or

(2) Negative Incentives/Redirection - Evaluation of outcome variances for remedial plan, reduction of funding, elimination of funding, restriction of funding, withholding of funding, reduction of funding transferability, transfer of functional responsibility to other entity, recommendation for placement in conservatorship, direction that a management audit be conducted or direction that other remedial or corrective actions be implemented.

(3) The Legislative Budget Board may develop rules and procedures for the implementation of the above provisions.

(4) The Legislative Budget Board may request comments from the State Auditor's Office regarding performance penalties and rewards.

(d) To further foster, support, and reward outstanding performance, ongoing productivity improvements and innovative improvement programs, and to retain key high performing employees, qualified state agencies and institutions may expend amounts necessary from funds appropriated in this Act for the purposes of enhancing compensation for employees who directly contributed to such improvements. Only classified employees (including classified employees of institutions of higher education) are eligible for enhanced compensation, and this award shall not exceed 6.8 percent of an employee's annual base pay. To be eligible for this provision, an agency or institution must:

(1) Achieve or exceed targets for 80 percent of the established key performance measures:

(A) For fiscal year 2004, eligibility shall be determined by the Legislative Budget Board based on performance reported to the Automated Budgeting and Evaluation System of Texas (ABEST) for fiscal year 2003;

(B) For fiscal year 2005, eligibility shall be determined by the Legislative Budget Board based on performance reported to ABEST for fiscal year 2004; and

(2) Have an unqualified certification for at least 70 percent of its performance measures as shown by its most recent certification review by the State Auditor's Office; and

(3) File a report with the Comptroller, Legislative Budget Board, Governor, House Appropriations Committee, and Senate Finance Committee describing the success of the innovative program and criteria used to assess the improvements; and

(4) Sixty days prior to implementation file a report with the Comptroller, Legislative Budget Board, Governor, House Appropriations Committee, and Senate Finance Committee describing in detail how the agency intends to use this flexibility to further the goals of this section.

Sec. 6.29. **Bookkeeping Entries.** Should clerical or bookkeeping errors result in any moneys being expended, transferred, or deposited into incorrect funds in or with the state treasury or any moneys being cleared from a trust and suspense fund to other than the proper fund, such erroneously expended, transferred, deposited, or cleared moneys may be transferred to the correct funds or accounts or trust and suspense account within the state treasury on request of the administering department with the concurrence of the Comptroller, and so much as is necessary for said transfer is hereby appropriated.

Sec. 6.30. **Accounting for State Expenditures.**

(a) Notwithstanding the various patterns of appropriation established in this Act, the Comptroller shall account for the expenditure of funds appropriated by this Act in a manner that allows for the reporting of expenditures attributable to each strategy in each agency's

respective Strategic Planning and Budget Structure as approved by the Governor and the Legislative Budget Board. The information shall be recorded and maintained systematically in the state accounting system in a manner that provides for the integration of the state's budget data and the state's accounting data and to facilitate the state's budget development process.

(b) This section does not require the deposit into and subsequent disbursement of funds from the state treasury that relate to Texas Public Education Grants, Skiles Act Debt Service, or "local funds" defined in § 51.009, Education Code, except for tuition and lab fees.

Sec. 6.31. **Grants.**

(a) Funds appropriated by this Act for grants of money to be made by state agencies, including the agencies in the legislative branch, are appropriated for the statutory purposes as the grantor agency may specify. A state agency shall distribute grants on a reimbursement or as needed basis unless otherwise provided by statute or otherwise determined by the grantor agency to be necessary for the purposes of the grant.

(b) Funds appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the funds appropriated for grant purposes. Distribution of the grant funds is subject to § 403.071, Government Code.

Sec. 6.32. **Fee Increase Notification.** None of the funds appropriated by this Act may be expended by an agency which increases the rate of a fee assessed by that agency unless the agency provides a notice to the payer of the fee that the fee rate was set by the agency or its governing board and not mandated by the Legislature.

Sec. 6.33. **Reimbursements for Unemployment Benefits.**

(a) For the purposes of this section, 'agency' includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code.

(b) At the close of each calendar quarter, the Texas Workforce Commission shall prepare a statement reflecting the amount of unemployment benefits paid to all former state employees based on wages earned from state employment and present it to the Comptroller. The Comptroller shall pay by warrant or transfer out of funds appropriated from the Unemployment Compensation Special Administration Account No. 165 such amount to the Unemployment Compensation Benefit Account No. 937 to reimburse it for such payments.

(c) The Unemployment Compensation Special Administration Account No. 165 shall be reimbursed, as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165, for one-half of the unemployment benefits paid, from appropriations made in this Act to the agency that previously employed each respective former state employee whose payroll warrants were originally issued in whole or part from the General Revenue Fund or dedicated General Revenue Fund accounts, or Other Funds, such as Fund No. 006.

(d) From information related to unemployment benefits paid on behalf of previously employed former state employees provided by the Texas Workforce Commission, the Comptroller

shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, any General Revenue-Dedicated accounts, Federal Funds or Other Fund appropriations made elsewhere in this Act to agencies. The Comptroller shall transfer such amounts to the Unemployment Compensation Special Administration Account No. 165. The amounts reimbursed pursuant to this subsection are hereby appropriated to the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937, as Interagency Transfers to the Unemployment Compensation Special Administration Account No. 165. The reimbursement requirements established by this subsection may be waived, either in whole or in part, by the Legislative Budget Board.

(e) In addition to other reimbursement provided by this section, the Unemployment Compensation Special Administration Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from amounts appropriated to the Reimbursements to the Unemployment Compensation Benefit Account item in this Act out of dedicated General Revenue Fund accounts or Other Funds and shall be fully reimbursed from funds held in local bank accounts, for all former state employees whose payroll warrants were originally issued in whole or part from dedicated General Revenue Fund accounts, Other Funds or local bank accounts, respectively. From information provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the Unemployment Compensation Special Administration Account No. 165. The amounts reimbursed from local funds pursuant to this subsection are hereby appropriated to the Unemployment Compensation Special Administration Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. Such transfers and payments as are authorized under law shall be made not later than the 30th day after the date of receipt of the statement of payments due.

(f) The Comptroller may prescribe accounting procedures and regulations to implement this section.

(g) The Comptroller, upon certification of amounts due from the Texas Workforce Commission, including the sources of such amounts due, may transfer funds from such agencies or other units of state government as the Texas Workforce Commission certifies remain due more than 30 days from receipt of the statement of payments due. The Texas Workforce Commission shall also determine the amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

Sec. 6.34. **Payments to the State Office of Risk Management (SORM).**

(a) In this section:

(1) "Agency" includes a state agency as defined under § 2151.002, Government Code, which includes an institution of higher education (except a public junior college) as defined under § 61.003, Education Code, and may also include any other unit of state government as defined by the rules of the SORM, which participates in cost allocation plan provided under this section;

(2) "Assessment" means the amount of the workers' compensation assessment placed on an agency by SORM as provided by this section and other relevant law; and

(3) "SORM" means the State Office of Risk Management.

(b) At the beginning of each fiscal year, the SORM shall prepare a statement reflecting the assessments due from all agencies and present it to the Comptroller.

(c) Notwithstanding other provisions in this Act, agencies shall transfer to SORM their assessed allocation amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Funds or local bank accounts.

(d) Transfers and payments as are authorized under law shall be made not more than 30 days from receipt of the statement of payments due.

(e) The Comptroller may prescribe accounting procedures and regulations to implement this section.

(f) Upon certification by SORM of amounts due, the Comptroller may transfer funds from an agency if the assessment amount due remains unpaid after more than 30 days from receipt of the statement of payments due.

(g) All funds recovered by SORM from third parties by way of subrogation are appropriated to SORM to be used for the payment of workers' compensation benefits to state employees and shall be retained in Strategy A.1.1., Workers' Compensation Payments, in whole for that purpose.

(h) Amounts not to exceed 2 percent in total of workers' compensation annual expenditures may be awarded to agencies by SORM for the purposes of risk management and loss prevention. In the event that Strategy A.1.1., Workers' Compensation Payments, funded by the annual assessments to agencies, exceeds 110 percent of the expected annual payments, the excess over 110 percent will be returned to the General Revenue Fund. An excess of 10 percent or less will be used to lower the cumulative assessments to agencies the following year.

(i) In the event the total assessments in any year prove insufficient to fund expenditures, SORM may, with the approval of the Legislative Budget Board, temporarily utilize additional general revenue in an amount not to exceed 20 percent of the cumulative assessments for that fiscal year. Any additional general revenue funds will be utilized only for the purpose of temporary cash flow and must be repaid upon receipt of the following year's assessments in accordance with procedures established by the Comptroller. All transfers from and repayments to the General Revenue Fund shall be reported by SORM to the Legislative Budget Board.

(j) The reimbursement requirements established by this section may be waived or delayed, either in whole or in part, by the Legislative Budget Board.

Sec. 6.35. **Statewide Capital Planning.**

(a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2006–07 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include:

(1) a description of the project or acquisition;
(2) the cost of the project;
(3) the anticipated useful life of the project;
(4) the timing of the capital need;
(5) a proposed source of funds (method of financing);
(6) a proposed type of financing; and
(7) any additional related information requested by the Bond Review Board.

(b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2006–07 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor and the Legislative Budget Board no later than December 31, 2003. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2005 with the Governor and the Legislative Budget Board no later than September 1, 2004.

(c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity.

(d) This section applies to each anticipated state project requiring capital expenditures for:

(1) land acquisition;
(2) construction of building and other facilities;
(3) renovations of buildings and other facilities estimated to exceed $1 million in the aggregate for a single state agency or institution of higher education; or
(4) major information resources projects estimated to exceed $1 million.

(e) The Higher Education Coordinating Board and the Bond Review Board shall eliminate redundant reporting by consolidating this report and the Higher Education Coordinating Board's Master Plan report, to the greatest extent possible.

Sec. 6.36. **Consolidated Funds.** Contingent on the enactment of legislation relating to the dedication of funds, the Comptroller, on approval of the Legislative Budget Board, may change an applicable agency's method of financing source name as provided in this Act to reflect changes made by the other legislation that affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.

Sec. 6.37. **Demographic and Statistical Studies.** Before expending funds appropriated by the Act for the purpose of contracting for a consultant or other private assistance in performing a study required by the Legislature that includes statistical or demographic analysis of data, the agency conducting the study shall determine if the resources of the Texas Legislative Council are available to assist the agency in designing or conducting that component of the study.

Sec. 6.38. **Cost Allocations.** For the purpose of more effective and efficient identification and allocation of costs, and to effect timely payments to employees and vendors, agencies may temporarily charge salary and/or operating costs to appropriations most applicable for the expense being incurred. Upon receipt of more specific information such as personnel-time allocation information for payrolls, or allocation of office supplies or other goods and services, agencies may reimburse the original paying appropriations by transfer from the appropriation to which the expenditure should have been

charged. Such transfers must be accomplished within twelve months in a manner which records appropriate expenditures to the borrowing appropriation and negative expenditures to the lending appropriation. These transfers may be in summary amounts in a manner approved by the Comptroller. Each agency must maintain adequate detailed records to support summary transfer amounts.

Sec. 6.39. **Capital Budget Reductions, Articles I - VIII.**

(a) Appropriations made in Articles I - VIII of this Act for capital budget purposes are reduced for the 2004–05 biennium in the appropriate amount as provided by this section. Master Lease Purchase Program and bond debt service payments included in capital budgets elsewhere in this Act are exempt from reductions made by this section.

(b) The Legislative Budget Board (LBB) shall identify the appropriate strategies and method of finance from which the appropriate biennial reductions shall be made. Based on the LBB's list of strategies and method of finance from which the appropriate reductions are to be made, the Comptroller shall reduce General Revenue appropriations in Articles I - VIII for capital budget purposes by 50 percent for the 2004–05 biennium and shall reduce General Revenue-Dedicated appropriations in Articles I - VIII for capital budget purposes by 50 percent for the 2004–05 biennium.

(c) For purposes of Sec. 6.17, Limitation on Expenditure - Capital Budget, any necessary calculations shall be made using the capital budget amounts as adjusted by this section.

## PART 7. REPORTING REQUIREMENTS

Sec. 7.01. **Budgeting and Reporting.**

(a) As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend funds only if there is compliance with the following provisions:

(1) On or before December 1 of each fiscal year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor, the Legislative Budget Board, the Comptroller, and the Legislative Reference Library in the format prescribed jointly by the Legislative Budget Board and the Governor.

(2) All subsequent amendments to the original budget shall be filed with the Governor and the Legislative Budget Board within 30 days of approval of such amendments unless such reporting requirement is waived.

(3) Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor, the Legislative Reference Library, the state publications clearinghouse of the Texas State Library, State Auditor's Office, and the appropriate substantive committees of the House and Senate. The report shall analyze the agency's performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board. The report shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board (in consultation with the Governor) shall:

(A) specify the measures to be reported including the key performance measures established in this Act;

(B) approve the definitions of measures reported; and

(C) establish standards for and the reporting of variances between actual and targeted performance levels.

(4) The Legislative Budget Board (in consultation with the Governor) may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.

(5) To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor:

(A) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required;

(B) approve the basis for calculating and allocating costs to selected functions, tasks or measures;

(C) determine the frequency of reporting cost accounting data needed; and

(D) provide for the integration of cost accounting data into the budget development and oversight process.

(6) The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation.

(b) It is further the intent of the Legislature that the Comptroller develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above.

Sec. 7.02. **Annual Reports and Inventories.**

(a) None of the moneys appropriated by this Act may be expended after November 20th following the close of the fiscal year unless an annual report has been filed by the executive head of each agency specified in this Act in accordance with § 2101.011, Government Code.

(b) The State Auditor shall certify to the Comptroller any agency that has not filed the required annual report within the specified time. The Comptroller shall withhold any appropriations for expense reimbursements for the heads of agencies or any employees of such agencies as are on this certified list until the State Auditor notifies the Comptroller that the delinquent reports have been filed.

(c) The words "heads of agencies" as used in this section means the elected and appointed officials, members of commissions, boards, etc., and the chief administrative officer of such department, board, commission, bureau, office, or agency of the state for which appropriations are made in this Act.

Sec. 7.03. **Notification to Members of the Legislature.**

(a) An agency shall provide notification to affected members of the Legislature prior to the public announcement of the closing of any agency field offices.

(b) At the time of announcing information to the news media concerning a matter of public safety, a state agency that receives funds appropriated under this Act shall make a reasonable attempt to contact each member of the Legislature whose district could be affected by the content of the press release and disclose to the member the content of the press release. To receive notice from an agency as provided by this section, a member of the Legislature must request that the agency inform the member regarding all press releases.

Sec. 7.04. **Reporting Requirements: Temporary Assistance for Needy Families (TANF) Federal Funds.**

(a) In this section:
(1) "Single State Agency" means the agency designated to administer TANF.

(2) "TANF" means Temporary Assistance for Needy Families.

(b) A state agency appropriated TANF federal funds shall quarterly:
(1) report to the single state agency for TANF, all federal, state, and local expenditures, administrative expenditures, and related caseload data, compiled on a federal fiscal year basis to ensure compliance with federal provisions and the state maintenance of effort; and

(2) submit a TANF expenditure report to the Legislative Budget Board and the Governor compiled on a state fiscal year basis and accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

Sec. 7.05. **Contract Notification.**

(a) All agencies and institutions of higher education shall report to the Legislative Budget Board any contract entered into by the agency or institution that meets the following requirements:

(1) the contract is not already being reported to the Legislative Budget Board under §§ 2054.008, 2166.2551, 2254.006, or 2254.0301, Government Code;

(2) the contract is not a purchase order, interagency contract, or a contract paid only with funds not appropriated by this Act; and

(3) the amount of the contract, including an amendment, modification, renewal, or extension of the contract, exceeds $50,000.

(b) Agencies and institutions of higher education shall report contracts in the manner prescribed by the Legislative Budget Board.

## PART 8. OTHER APPROPRIATION AUTHORITY

Sec. 8.01. **Acceptance of Gifts of Money.**

(a) A gift or bequest of money to a state agency named in this Act, including the legislative branch, that has specific authority to accept gifts is appropriated to the agency designated by the grantor and for the purpose the grantor may specify, subject to Subsections (b), (c), (d), and (e).

(b) Unless exempted by specific statutory authority, a gift or bequest of money shall be:

(1) deposited into the state treasury, and

(2) expended in accordance with the provisions of this Act.

(c) A gift or bequest to a state agency may not be transferred to a private or public development fund or foundation, unless written permission for the transfer is given by the donor of the gift or representative of the estate. An account of all such letters of written permission and transfers of gifts or bequests shall be kept by the agency and shall be reported to the State Auditor.

(d) An unexpended balance, from a gift or bequest, existing at the beginning of this biennium or at the end of a fiscal year of this biennium is hereby appropriated for use during this biennium for the purpose provided by the grantor.

(e) It is the intent of the Legislature that during the years subsequent to this biennium, to the extent allowed by law, the gift or bequest be used by the beneficiary agency for the purpose provided by the grantor.

Sec. 8.02. **Federal Funds/Block Grants.**

(a) All funds received from the United States government by a state agency or institution named in this Act are hereby appropriated to the agency for the purposes for which the federal grant, allocation, aid, payment, or reimbursement was made subject to the provisions of this section.

(b) Except for an institution of higher education, federal funds:

(1) including unexpended balances, shall be deposited to and expended from the specific appropriation item identified in this Act; and

(2) may not be expended for a strategy or function other than a strategy or function that has been reviewed by the Seventy-eighth Legislature and authorized by specific language in this Act or encompassed by an agency's budget structure as established by this Act.

(c) As applicable, federal reimbursements received for expenditures previously made or services performed on behalf of federal programs from state funds shall be credited by the Comptroller to the fund from which the expenditure was originally made. The credit shall be to the agency's current appropriation item or accounts from which the expenditures of like character were originally made and are hereby appropriated. Reimbursements received from employee benefits paid from General Revenue Fund appropriations of other administering agencies shall be deposited to the unappropriated General Revenue Fund.

(d) A position created for administration of federal grant programs shall be phased out upon discontinuance of the particular federal grant for which it was authorized.

(e) (1) Semi-annual reports, of federal funds received and their intended usage comparing historical, appropriated, and agency expected amounts for those funds, shall be filed by the Governor with the Legislative Budget Board and the presiding officers of both houses of the Legislature for referral to appropriate standing committees for review.

(2) Before expending or obligating funds received under a federal grant or program, an agency must file the required information regarding application for federal funds and receipt of federal funds.

(f) Agencies subject to Chapter 654, Government Code (the Position Classification Act) will make federal grant employment in accordance with the provisions of that Act in positions listed in, or otherwise authorized by, this Article.

(g) In order to maximize the amount of federal alcohol and drug abuse funds that might become available to the Texas Commission on Alcohol and Drug Abuse, state funds used by a state agency to provide alcohol and drug abuse services may be counted towards any required state matching contribution for such federal funds.

(h) In the event that federal programs that authorize federal funds included in this Act are eliminated, consolidated, or replaced with new federal programs and funding authorization or block grants, or the federal funds appropriated to agencies are reduced, any reduction or reallocation of federal funds will be distributed across affected agencies and programs to pattern the strategies and programs included in this Act to the extent possible without restricting the state's ability to receive federal funds, in accordance with a plan adopted by the designated single state agency or otherwise by each affected agency. An agency shall provide a copy of the plan to the Legislative Budget Board and the Governor.

(i) In the event that an agency or institution of higher education receives at least $5 million in Federal Funds from new programs not anticipated in this Act, or at least $5 million in additional Federal Funds not estimated elsewhere in this Act, and these Federal Funds are not emergency funds such as disaster assistance, the agency or institution of higher education may not expend such funds unless:

(1) the agency or institution of higher education notifies the Legislative Budget Board and the Governor of the receipt of the funds and provides a written plan outlining the use of the funds; and
(2) neither the Legislative Budget Board nor the Governor issue a written disapproval within 14 days of the receipt of the notification.

Sec. 8.03. **Reimbursements and Payments.**

(a) Any reimbursements received by an agency of the state for authorized services, including contractual agreements with a non-governmental source or any unit of government, including state, federal, or local government, refund of expenditures received by an agency of the state and any payments to an agency of the state government made in settlement of a claim for damages, are hereby appropriated to the agency of the state receiving such reimbursements and payments for use during the fiscal year in which they are received. Revenues specifically established by statute on a fee or service provided basis are not appropriated by this section and are available for expenditure by the collecting agency only if appropriated elsewhere in this Act.

(b) Forfeited money, proceeds from the sale of forfeited property or similar monetary awards related to the agency's participation in the seizure of controlled substances or other contraband are hereby appropriated to the receiving state agency, unless distribution is otherwise provided by statute or specific provision of this Act.

(c) Except as provided elsewhere in this Act, net amounts of money received by an agency as a result of tax seizures or other similar recoveries authorized by statute shall be deposited in the state treasury as unappropriated revenues to the funds or accounts authorized by statute.

(d) The portion of proceeds representing recoveries of costs incurred in forfeitures under Subsection (b) or, seizures or similar recoveries under Subsection (c) are appropriated to the receiving agency. Such cost recoveries include court costs, attorney fees, rentals or storage fees, auction and sale costs, preparation costs to condition property for sale, and salaries, travel, and other overhead costs of the agency.

(e) The reimbursements, refunds, and payments received under Subsection (a) shall be credited by the Comptroller to the agency's current appropriation items or accounts from which the expenditures of like character were originally made, or in the case of damage settlements to the appropriation items or accounts from which repairs or replacements are made; provided, however, that any refund of less than $50 to an institution of higher education for postage, telephone service, returned books and materials, cylinder and container deposits, insurance premiums and like items, shall be deposited to the current fund account of the institution in the state treasury and such funds are hereby appropriated.

Sec. 8.04. **Surplus Property.** Receipts to any agency of the state government specified in this Act received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, are hereby appropriated to the state agency for expenditure during the fiscal year in which the receipts are received. Receipts from such surplus and salvage sales shall be credited to the appropriation item from which like property, equipment, livestock, or commodities would be purchased.

Sec. 8.05. **Refunds of Deposits.**

(a) Any money deposited into the state treasury which is subject to refund as provided by law shall be refunded from the fund into which the money was deposited, transferred, or otherwise credited, and so much as is necessary for said refunds is hereby appropriated.

(b) Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated by this Act may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the state was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, may not receive payment of a refund under this section.

(c) As a specific limitation to the amount of refunds paid from funds appropriated by this Act during the 2004–05 biennium, the Comptroller may not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller used for certification of this Act. Any claim or portion of a claim that is in excess of this limitation shall be presented to the next Legislature for a specific

appropriation in order for payment to be made. The limit provided by this subsection does not apply to any taxes or fees paid under protest.

Sec. 8.06. **Vending Machines.** All receipts collected from vending machine operations pursuant to § 2203.005, Government Code, are hereby appropriated to the institution, board, commission, or agency for use as directed by the board or commission authorizing the installation.

Sec. 8.07. **Pay Station Telephones.** All receipts collected from pay station telephone operations pursuant to § 2170.009, Government Code, are hereby appropriated for use by the agency as determined by the governing board or commission.

Sec. 8.08. **Appropriation of Collections for Seminars and Conferences.** All funds collected for the reimbursement of costs directly associated with the conducting of seminars, conferences, or clinics that directly relate to the legal responsibilities and duties of the agency and that are for the purposes of education, training, or informing employees or the general public are hereby appropriated for the necessary expenses incurred in conducting the seminar; provided, however, all applicable laws, and rules and regulations for the acquisition of goods and services for the state shall apply to the expenditures. Any unexpended balances remaining as of August 31, 2003, in an appropriation made by Article IX, § 8.08, of Senate Bill 1, Seventy-seventh Legislature, Regular Session, 2001, are hereby appropriated for the same purpose.

Sec. 8.09. **Appropriation of Bond Proceeds.** The proceeds from the issuance and sale of bonds or other obligations pursuant to the provisions of Chapter 1232, Government Code, and Chapter 1401, Government Code, are appropriated to the state agency to whose account the proceeds are deposited or credited. Proceeds include interest and investment income.

Sec. 8.10. **CMIA Interest Payments.**

(a) There is hereby appropriated to the Comptroller for the biennium ending August 31, 2005 sufficient general revenue monies for the payment of interest due the federal government under the federal Cash Management Improvement Act of 1990 (31 U.S.C. § 6501 et seq.).

(b) An amount equal to the amount of interest payments made from general revenue on behalf of special funds or accounts as a result of the federal Cash Management Improvement Act of 1990 is hereby appropriated from special funds. The Comptroller shall transfer from each special fund or account to general revenue, an amount equal to the amount of interest paid on behalf of each special fund or account.

Sec. 8.11. **Appropriation of Receipts: Credit, Charge, or Debit Card Service Fees.** Any fee receipts assessed by an agency for the use of a credit, charge, or debit card for the payment of a fee, tax, penalty, or other charge authorized by law are appropriated to that agency from the fund to which the fee was deposited for the purpose of paying the costs associated with receiving the payment. Any unexpended balances from credit, charge, or debit card processing or convenience fees remaining at the end of the fiscal biennium ending August 31, 2003, are reappropriated to the assessing agency from the agency from the fund to which the fee was deposited for the same purposes for the fiscal biennium beginning September 1, 2003.

## PART 9. INFORMATION RESOURCES PROVISIONS

Sec. 9.01. **Purchases of Information Resources Technologies.**

(a) In this section:

(1) "Information resources," "Information resources technologies," and "Major information technology project" have the meanings provided by § 2054.003, Government Code.
(2) "Quality Assurance Team" and "QAT" means the representatives of the Legislative Budget Board and the State Auditor.

(b) A state agency may not request appropriations for information technology unless the information technology is in a plan approved by the Legislative Budget Board.

(c) Prior to amending a contract for development of a major information technology project, when the amendment constitutes a 10 percent or greater change, the agency shall notify the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, House Appropriations Committee, Department of Information Resources and the QAT. For contracts having a total value in excess of $1.0 million an amendment to the contract that changes the total value of the contract or any element of the contract by more than 10 percent of the total value of the contract is not valid without QAT approval.

Sec. 9.02. **Quality Assurance Review of Major Information Resources Projects.**

(a) In this section:

(1) "Major information resources project" has the meaning provided by § 2054.003, Government Code.
(2) "Quality Assurance Team" or "QAT" means the representatives of the Legislative Budget Board and the State Auditor who execute duties as provided by this section.

(b) A state agency may not expend appropriated funds for a major information resources project unless the project has been reviewed and approved by the QAT. The QAT shall determine approval based on an analysis of the project's risk. The QAT may request any information necessary to determine a project's potential risk. The QAT may waive the project review requirements for a project.

(c) The QAT may require independent project monitoring, project status reporting, project expenditure reporting, or any additional information necessary to assess a project's on-going potential for success. After a project has been completed, the QAT may also require an agency to submit a project post-implementation evaluation report to determine if the project met its planned objectives.

(d) The State Auditor's Office shall provide audit and review of the projects and the information provided by the agencies.

(e) The QAT may request the assistance of the Comptroller in regard to the accuracy of project expenditures and compliance with this Act.

(f) The QAT shall provide an annual report to the Governor, Lieutenant Governor, Speaker of the House, the House Appropriations Committee, and Senate Finance Committee on the status of projects under its review by December 1.

(g) The State Auditor's Office may:

(1) provide an independent evaluation of the post implementation evaluation review process to ensure the validity of its results; and
(2) send the evaluation to the Legislative Audit Committee.

(h) The Legislative Budget Board may issue guidelines for software development, quality assurance, and the review of major information resources projects.

(i) Unless waived by the Legislative Budget Board the QAT shall require each affected agency to:

(1) quantitatively define the expected outcomes and outputs for each major information resource project at the outset;
(2) monitor cost; and
(3) evaluate the final results to determine whether expectations have been met.

Sec. 9.03. **West Texas Disaster Recovery and Operations Center.**

(a) In this section:
(1) "DIR" means the Department of Information Resources;
(2) "Centers" means the State Data Centers; and
(3) "Best value" means the lowest overall cost.

(b) The DIR shall operate, or through cooperative agreement, manage operations of the State Data Centers on the campus of Angelo State University and at other locations as may be designated by the Legislature. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Centers for data center operations, testing disaster recovery plans, and for disaster recovery services. None of the funds appropriated by this Act may be expended for entering into or renewing contracts or issuing purchase orders for data center operations, disaster recovery plan testing services, or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from the Legislative Budget Board certifying that the requested service requirements cannot be provided at reasonable costs through the one of the Centers. Waiver requests will be evaluated by the Legislative Budget Board, based on best value to the State, rather than best value to the state agency or institution of higher education requesting the waiver. Prior to requesting a waiver from the Legislative Budget Board, agencies and institutions of higher education must first provide the operational vendor of the Centers with a comprehensive statement of work sufficient for the operational vendor to provide an accurate cost estimate for cost comparison purposes. Prior to initiating the waiver process, state agencies and institutions of higher education must also coordinate with the DIR regarding appropriate time frames for preparation of the statement of work, pricing, cost comparison and transition.

Agencies and institutions of higher education shall use the State Auditor's Report 95-139 in evaluating cost comparison. The Legislative Budget Board may request assistance from the State Auditor's Office in validating cost evaluations. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver may not extend beyond the expiration date of the waiver. Once a waiver has been granted, state agencies and institutions of higher education must provide a comparison of actual costs versus the projected costs used to obtain the waiver on an annual basis to the Legislative Budget Board.

(c) State agencies and institutions of higher education that use the Centers shall do so under contract with the DIR. The DIR may collect fees for these services in amounts that offset the

direct and indirect costs of providing the services. The DIR may request assistance from the State Auditor's Office regarding the billing system formula for offsetting service costs. In order for the state to realize maximum cost savings and operational efficiencies, the DIR shall work with the Legislative Budget Board, the State Auditor's Office and the Centers' operational vendor to develop a comprehensive information technology consolidation plan. The DIR shall file a written report of the plan with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives not later than May 31, 2004.

Sec. 9.04. **Biennial Operating Plan and Information Resources Strategic Plan Approval.** It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology must have a current Information Resources Strategic Plan and a Biennial Operating Plan including any amendments as approved by the Legislative Budget Board prior to expending any funds for information technology. Information Technology items identified in the Capital Budget Rider must be included and approved in the Biennial Operating Plan or a subsequently approved amendment of the Biennial Operating Plan. The Legislative Budget Board may direct the Comptroller to deny the agency or institution of higher education access to information technology appropriations for non-compliance.

Sec. 9.05. **Information Technology Replacement.** It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology, including seat management, perform a cost-benefit analysis of leasing vs. purchasing information technology and develop a personal computer replacement schedule. Agencies and institutions of higher education should use the Department of Information Resources' (DIR) *Guidelines for Lease versus Purchase of Information Technologies* to evaluate costs and DIR's *PC Life Cycles: Guidelines for Establishing Life Cycles for Personal Computers* to prepare a replacement schedule. The use of West Texas Disaster Recovery and Operations Center for seat management should also be evaluated.

Sec. 9.06. **Training Programs Using the Internet.** To reduce costs, maximize efficiency, and minimize travel costs and other budget expense, it is the intent of the Legislature that state agencies and institutions of higher education use Internet-based training for state-mandated human resources training and other training programs if Internet-based training is available and appropriate. Not later than January 1, 2004, the Department of Information Resources shall report to the Legislature regarding the amount of training conducted by state agencies and institutions of higher education and on the use of Internet-based training by the agencies and institutions. The agencies and institutions shall timely provide the Department of Information Resources with information necessary to make the report.

## PART 10 HEALTH-RELATED PROVISIONS

Sec. 10.01. **Purchasing of Pharmaceuticals.** An agency appropriated funds for the purpose of the purchase of pharmaceutical products may establish a preference for the purchase of those pharmaceutical products from a manufacturer that voluntarily participates in the Texas Department of Health's Vendor Drug Rebate Program for the Children with Special Health Care Needs (formerly known as "CIDC") Program and the Kidney Health Care Program.

Sec. 10.02. **Full Application for Health Coverage.** To the fullest extent permitted by federal law and regulations, all state agencies that have children in their custody must apply for enrollment of all children in the Medicaid or the Childrens' Health Insurance Program, unless the children have otherwise been provided health insurance.

Sec. 10.03. **State Agency Communication with Employees Regarding the State Kids Insurance Program (SKIP).**

(a) A state agency shall provide each employee with information regarding the State Kids Insurance Program (SKIP) and Medicaid. When offering insurance to employees, agencies must provide separate literature, including eligibility requirements and prices, for SKIP and Children's Medicaid. The outreach shall be performed at least annually during open enrollment and with any new state employee at the time of hiring.

(b) The Health and Human Services Commission shall maintain an application and a brochure for state employees about SKIP and for Children's Medicaid. These documents shall be maintained with collaboration from the Employee Retirement System, the Health and Human Services Commission's internal Medicaid division, and the Health and Human Services Commission's Children's Health Insurance Program department. The brochure should include an eligibility chart, pricing information, and a telephone number to call the Health and Human Services Commission or the Employees Retirement System to answer questions. All of the aforementioned documents shall be easily reproduced by other state agencies, and shall be made available on each agency's website to download from the Internet. The information contained within these documents shall be updated annually.

Sec. 10.04. **Completion of Memorandum of Understanding Regarding Transition Services for Students with Disabilities.** The Texas Education Agency, the Texas Department of Mental Health and Mental Retardation, and the Texas Rehabilitation Commission, with other appropriate agencies as requested by the above agencies, shall develop, agree to, and by rule adopt an updated memorandum of understanding that establishes the respective responsibilities of each agency for the provision of services necessary to prepare students enrolled in special education programs for a successful transition to life outside of the public school system. The memorandum of understanding shall include clear designation of the respective responsibility of each participating agency to provide or pay for specific services, establish a uniform system across participating agencies for resolution of disputes regarding transition services, and establish a point of responsibility within each participating agency for implementation by that agency of the requirements of the memorandum of understanding. The updated memorandum of understanding must be completed by December 31, 2003.

Sec. 10.05. **Authorization to Transfer Appropriations, Personnel, and Capital Budget Authority Related to the Council on Developmental Disabilities.**

(a) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all appropriations, full-time equivalent positions, and capital budget authority relating to the Council for the 2004–05 state fiscal biennium are transferred from the Texas Rehabilitation Commission to the agency designated by the Governor on the date of the designation.

(b) The amount of federal funds to be transferred under this provision is the funds available to the state under the Catalog of Federal Domestic Assistance No. 93.603. The number of full-time equivalents to be transferred under this provision is 17 for each year of the biennium. Transfers under this rider may be made from the appropriate Texas Rehabilitation Commission strategy to another appropriate strategy designated by the Governor.

(c) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds relating to the council are transferred to the agency designated by the Governor on the date of the designation.

(d) The Health and Human Services Commission shall make a final determination of the amount of funding and the number of full-time equivalents to be transferred under this rider. The Health and Human Services Commission shall submit a report regarding the amount of funds and the number of full-time equivalents transferred to the Governor and the Legislative Budget Board not later than 30 days prior to the final transfer.

Sec. 10.06. **Health Insurance Portability and Accountability Act (HIPAA).** It is the intent of the Legislature that the Health and Human Services Commission's National Data Interchange Standards (NDIS) Task Force maintain, with the help of the Comptroller, the Texas Higher Education Coordinating Board and affected institutions, and the Texas Office of the Attorney General, a plan to integrate the provisions established by HIPAA for the following agencies which handle health related information: Texas Department of Criminal Justice, Employees Retirement System of Texas, Texas Department of Health, Texas Health Care Information Council, Texas Health and Human Services Commission, Texas Department of Human Services, Texas Higher Education Coordinating Board, Texas Department of Information Resources, Texas Department of Insurance, Texas Department of Mental Health and Mental Retardation, Teacher Retirement System of Texas, Texas State Office of Risk Management, Texas Workers' Compensation Commission and any other agencies that the Health and Human Services Commission determines to be affected by HIPAA. The plan shall include an analysis of HIPAA's financial impact on each state agency as well as the state's overall progress in implementing HIPAA. An addendum updating the progress of implementation of the plan shall be submitted to the Governor, the Lieutenant Governor, Members of the Texas Senate, Members of the House of Representatives and the Legislative Budget Board no later than December 31 of each year.

Sec. 10.07. **Interagency Contract Funding for Regional Specialist Projects.**

(a) The Texas Commission for the Deaf and Hard of Hearing is hereby authorized to collect funds to be used as provided by this section through interagency contracts with the 20 state agencies identified as provided by this section.

(b) Each agency identified as provided by this section shall provide $24,750 for fiscal year 2004 and $24,750 for fiscal year 2005 via interagency contract by October 1 of each fiscal year to the Texas Commission for the Deaf and Hard of Hearing for the purpose of funding a Regional Specialist project in all eleven health and human services regions of this state. General Revenue in the amount of $240,000 in Texas Commission for the Deaf and Hard of Hearing Strategy A.1.1., Contract Services made available by this method of finance change to current Regional Specialist projects shall be made available for expenditure on development of a Hispanic trilingual interpreter test, hard of hearing projects, and senior citizens projects.

(c) The 20 state agencies having the greatest number of employees whose duties include direct interaction with members of the public shall contract with the Texas Commission for the Deaf and Hard of Hearing for the purpose of funding a Regional Specialist project in all eleven health and human services regions of this state. The State Auditor's Office and the Texas Commission for the Deaf and Hard of Hearing shall cooperate to identify the 20 state agencies with the greatest number of employees whose duties include direct interaction with members of the public for each year of the biennium. Unless the State Auditor's Office and the Texas Commission for the Deaf and Hard of Hearing cooperatively identify other agencies to be substituted on the list of 20 agencies subject to this section, the 20 agencies subject to this section include:

(1) Texas Education Agency;
(2) Texas Health and Human Services Commission;
(3) Texas Department of Transportation;
(4) Texas Department of Human Services;
(5) Texas Department of Criminal Justice;
(6) Texas Department of Mental Health and Mental Retardation;
(7) Texas Department of Health;
(8) Texas Workforce Commission;
(9) University of Texas/M.D. Anderson Cancer Center;
(10) Texas Department of Protective and Regulatory Services;
(11) Department of Public Safety of the State of Texas;
(12) Office of the Attorney General;
(13) Texas Commission on Environmental Quality;
(14) Texas Rehabilitation Commission;
(15) Texas Youth Commission;
(16) Office of the Governor;
(17) Parks and Wildlife Department;
(18) Texas Lottery Commission;
(19) Comptroller of Public Accounts; and
(20) Texas Commission on Alcohol and Drug Abuse.

Sec. 10.08. **Appropriation of Disproportionate Share Hospital Payments to State Owned Hospitals.** Disproportionate Share Hospital Program payments from the Health and Human Services Commission to state owned hospitals are appropriated to the receiving state agency/hospital as replacement funding for funds transferred to the Health and Human Services Commission and are subject to the accounting provisions as required by the Comptroller including deposits to the fund or account from which the original source of transfers to the Health and Human Services Commission was made.

Sec. 10.09. **Informational Listing - Health Care Appropriations.** The following is an informational listing of amounts appropriated specifically for health care services in this Act, and does not make appropriations. For purposes of this section, health care appropriations include programs identified as health care-related in this Act, and do not include health care appropriations made to institutions of higher education with non-appropriated funds.

For purposes of this informational listing, health care appropriations include, but are not limited to, appropriations for Medicaid, inpatient and outpatient services, health care premiums, medications, laboratory services, community care services, nursing facility and hospice payments, rehabilitation services, alcohol and drug abuse treatment, mental retardation, and comprehensive therapies and related services for children with developmental delays. Certain non-health care-related costs which could not be broken out from other health care costs are also included in the listing below.

| Programs | All Funds (in millions) 2004 | All Funds (in millions) 2005 |
|---|---|---|
| **Article I** | | |
| Employees Retirement System - State Employee Group Health Insurance | $ 838.5 | $ 848.7 |
| Workers' Compensation (State Office of Risk Management agencies) | 83.3 | 83.3 |

## HEALTH-RELATED PROVISIONS
(Continued)

| | | |
|---|---|---|
| **Article II** | | |
| Health and Human Services Commission - Medicaid | 9,278.0 | 9,170.1 |
| Health and Human Services Commission - Children's Health Insurance Program | 366.2 | 282.2 |
| Department of Human Services | 3,223.3 | 2,993.3 |
| Mental Health and Mental Retardation | 1,964.3 | 1,895.3 |
| Department of Health - Public Health and Medicaid | 772.4 | 807.2 |
| Commission on Alcohol and Drug Abuse | 88.6 | 87.9 |
| Texas Rehabilitation Commission | 179.5 | 179.5 |
| Commission for the Blind | 38.0 | 38.9 |
| Interagency Council on Early Childhood Intervention | 116.4 | 125.6 |
| **Article III** | | |
| Health-related Higher Education Institutions | 1,210.8 | 1,309.2 |
| Higher Education Group Health Insurance | 562.7 | 562.7 |
| Higher Education Workers' Compensation Non-State Office of Risk Management | 8.4 | 8.4 |
| Teacher Retirement System - Care | 440.5 | 297.4 |
| Teacher Retirement System Active Care - Independent School District Employee Insurance | 263.1 | 240.3 |
| Texas Education Agency - Independent School District Employee Insurance | 457.2 | 466.9 |
| **Article V** | | |
| Texas Department of Criminal Justice - Correctional Managed Health Care | 285.6 | 283.8 |
| Texas Department of Criminal Justice - Psychiatric Care | 43.6 | 43.6 |
| Texas Department of Criminal Justice - Substance Abuse Treatment | 57.07 | 57.07 |
| Texas Department of Criminal Justice - Special Needs Offenders | 15.5 | 15.5 |
| Texas Youth Commission - Healthcare Services | 12.9 | 12.7 |
| Texas Youth Commission - Psychiatric Services | 1.6 | 1.6 |
| **Article VII** | | |
| Office of Rural Community Affairs | 2.1 | 2.0 |
| **Article XII** | $ 500.0 | $ 495.7 |
| Total* | $ 20,809.5 | $ 20,308.9 |

| | | |
|---|---|---|
| **Method of Finance** | | |
| Total, General Revenue | $ 9,282.4 | $ 8,956.0 |
| Total, General Revenue-Dedicated | 275.5 | 276.2 |
| Total, Federal Funds | 9,816.9 | 9,559.7 |
| Total, Other Funds | 1,434.8 | 1,517.0 |
| Total,* All Funds | $ 20,809.5 | $ 20,308.9 |

* Totals may not add because of rounding

## PART 11. OTHER PROVISIONS

Sec. 11.01. **Employee Meal Authorization.** State agencies providing institution-based services, including the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, the Texas Youth Commission, the Texas School for the Blind and Visually Impaired, and the Texas School for the Deaf, may provide meals to employees working in institutional settings and may charge a fee at costs established by the agencies that does not exceed the direct and indirect costs of preparation.

Sec. 11.02. **Bank Fees and Charges.** From interest income appropriated by this Act, amounts may be used for the purpose of paying bank fees and charges as necessary.

Sec. 11.03. **Lost Property.** A state agency or institution of higher education must annually report to the Legislative Budget Board and the Comptroller the value of property lost or missing from the possession of the agency or institution of higher education. The Legislative Budget Board and the Comptroller may prescribe forms and dates for reporting. The Comptroller shall withhold from the General Revenue Funds appropriated to the state agency or institution of higher education by this Act an amount equal to 50 percent of the value of the lost property provided that the loss falls outside the standards promulgated by the American Society for Testing and Materials. If a state agency or institution of higher education subsequently recovers or accounts for lost property to the satisfaction of the Comptroller, the Comptroller shall release to the state agency or institution of higher education a proportional amount of previously withheld General Revenue Funds.

Sec. 11.04. **In-kind Gas Program.** The General Land Office shall, on a monthly basis, inform the Comptroller of the savings being achieved by an agency under the in-kind gas program of § 31.401, Natural Resources Code and the Comptroller shall reduce the agency's utility appropriation authority accordingly. The Comptroller shall transfer the savings realized into the General Revenue Fund.

Sec. 11.05. **Limitation on Expenditures for Leased Space.** Funds appropriated by this Act may not be expended for leased office or building space for operations that are moved into newly constructed, purchased, expanded, or renovated state owned facilities funded from Texas Public Finance Authority Revenue Bonds.

Sec. 11.06. **Efficient Use of State Owned and Lease Space.**

(a) In the event that an agency moves from leased space to state owned space subsequent to the passage of this Act, the Comptroller shall reduce funds appropriated to each affected agency, by an amount equal to the lease costs that would have been incurred for the remainder of the biennium had the agency remained in leased space, less the costs the agency incurs for moving and the agency's tenant finish-out expenses as defined by the Texas Building and Procurement Commission. Required moving and tenant finish-out costs incurred by an agency moving from leased space to state owned space in fiscal year 2003 may be paid from 2004 fiscal year appropriations and costs incurred in 2004 may be paid from 2005 fiscal year appropriations as necessary to facilitate the move. The Comptroller shall transfer to the Texas Building and Procurement Commission from the special funds or accounts, including dedicated General Revenue Fund accounts, of those agencies that move into a state facility funded from Texas Public Finance Authority revenue bond proceeds, each agency's proportional share of the lease payments made for the facility as determined by the Texas Building and Procurement Commission. The Comptroller shall reduce the amounts appropriated to the Texas Building and Procurement Commission out of the General Revenue Fund for Lease Payments, in the appropriate Article of this Act, by an amount equal to the sum of the transfers from the special funds or accounts. The funds so transferred are hereby appropriated to the Texas Building and Procurement Commission for the purposes of making lease payments to the Texas Public Finance Authority.

(b) In the event that an agency obtains a lease at a rate lower than existing lease amounts, subsequent to the passage of the Act, the Comptroller shall reduce funds appropriated to each affected agency by an amount equal to the lease costs that would have been incurred for the remainder of the 2004–05 biennium, as determined by the Comptroller. If obtaining a reduced lease rate requires the agency to move its location, the Comptroller shall reduce the agency's appropriations less costs the agency incurs for moving the agency's tenant finish-out expenses as defined by the Texas Building and Procurement Commission. Required moving and tenant finish-out costs incurred by an agency moving from leased space in fiscal year 2004 may be paid from fiscal year 2005 appropriations as necessary to facilitate the move.

Sec. 11.07. **Transfer of Master Lease Purchase Program Payments.**

(a) The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance funds and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking funds.

(b) The Comptroller shall assist the Texas Public Finance Authority in the transfer of lease payments. State agencies participating in the Master Lease Purchase Program shall cooperate in the timely transfer of lease payments to the Texas Public Finance Authority. The absence of specific Master Lease payment appropriations, identified in an agency's capital budget, does not release an agency from lease payment obligations.

Sec. 11.08. **Alternative Fuels Finance Payments: Transfer and Appropriation.** The Texas Public Finance Authority (TPFA) may transfer each agency's pro rata share of administrative fees and finance payments pursuant to the alternative fuels finance program from each agency's appropriations made elsewhere in this Act to the TPFA alternative fuels finance program cost of issuance fund and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The TPFA may transfer funds necessary for alternative fuels finance program debt service payments from the State Lease Fund Account to the TPFA alternative fuels finance program interest and sinking fund and is hereby appropriated all necessary amounts from those funds for payment of debt service associated with the program. Any reimbursements or payments received by the TPFA for services rendered under agreement with any political subdivision of the state participating in the alternative fuels finance program are hereby appropriated to the TPFA for debt service payments associated with the program.

Sec. 11.09. **State Owned Housing - Recover Housing Costs.**

(a) It is the intent of the Legislature that the General Land Office (GLO) shall contract for the determination of the fair market rental value of all housing provided to state employees by agencies required to report their housing. The GLO shall provide, to each state agency providing housing to employees, information regarding the fair market rental values. The GLO shall also provide the statewide total and agency totals to the Legislative Budget Board, Governor, and Comptroller.

(b) Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency before September 1, 1999, at least 20 percent of

the established fair market rental value of its housing. Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency after August 31, 1999, at least 100 percent of the established fair market rental value of its housing. The recovered funds are hereby appropriated to the agency for its use.

(c) Agencies that provide employee housing shall report to the Legislature annually all employees who receive agency housing, the fair market rental value of housing supplied by the agency, and the amount of revenue recovered to meet the mandated goals.

(d) Unless specifically authorized by this Act, a person may not receive housing below the rate established by this section. Individuals authorized by this Act for reduced rate housing are absolutely critical to safe operation of a facility.

(e) Funds may not be expended to construct additional employee housing.

(f) When existing facilities are no longer suitable for employee housing, the agency should determine the feasibility of converting the use of housing or razing the structure before making repairs or updates.

(g) A person may not receive additional compensation in lieu of state-owned housing.

Sec. 11.10. **Cleaning Allowances.** A cleaning allowance is an allotment to help defray the cost of maintaining a uniform for certain state employees. A cleaning allowance authorized elsewhere in this Act for specific positions of employment is an authorization for the specific position and shall not transfer with an employee if that employee transfers to a position for which such reimbursement is not authorized.

Sec. 11.11. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that the Texas Commission on the Arts, the Texas Historical Commission, the Texas Department of Economic Development, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. These agencies shall develop, maintain and adhere to a memorandum of understanding that details the specific travel and tourism objectives and responsibilities of each agency and continues to provide interagency coordination and support to achieve the objectives.

Sec. 11.12. **Vehicle Fleet Management.** It is the intent of the Legislature that all state agencies and institutions shall adopt rules or policies to implement the State Vehicle Fleet Management Plan issued by the Office of Vehicle Fleet Management of the Texas Building and Procurement Commission. In accordance with the State Vehicle Fleet Management Plan, the Office of Vehicle Fleet Management shall not grant a waiver for vehicle purchases for those agencies that have not adopted rules or procedures as required by Section 2171.1045, Government Code. It is the intent of the Legislature that agencies follow recommendations in the State Vehicle Fleet Management Plan regarding replacing state vehicles when they reach 6 years (72 months) of service or 100,000 miles, whichever comes first. Circumstances may warrant exceptions to this policy based on economic factors for the state, as in the case of vehicles with excessive maintenance costs or unusually low maintenance costs. All state agencies and institutions must maintain detailed supporting documentation on their vehicle fleets and shall submit fleet data to the Office of Vehicle Fleet Management.

Sec. 11.13. **Appropriation: Temporary Assistance for Needy Families (TANF) Federal Funds.**

(a) For the biennium beginning September 1, 2003, in addition to sums appropriated elsewhere by this Act, the balance of all available TANF federal funds allocated to the State is hereby appropriated for the purposes for which the TANF block grant is made. In the event of an

expenditure requirement related to fiscal penalties, caseload growth, or other program needs (such as meeting work participation targets or increasing the capacity to serve TANF recipients facing time-limited benefits), the funds appropriated by this provision and/or the balance of all available TANF federal funds appropriated elsewhere by this Act may be expended and/or transferred as appropriate by the Single State Agency for TANF, subject to the written prior approval of the Governor and the Legislative Budget Board.

(b) The expenditure of TANF federal funds is hereby limited to those amounts specifically identified and appropriated by this Act, unless specific written approval is made by the Legislative Budget Board and Governor.

Sec. 11.14. **Incentive and Productivity.**

(a) Net annual savings/revenues realized from employee suggestions that are implemented by a state agency must be allocated by the state agency as follows:

(1) An amount not to exceed 10 percent of the annual net savings/revenues attributable to a suggestion implemented by a state agency shall be available for the payment of employee awards in accordance with the provisions of Subsection (e) of this section.

(2) An amount, equal to at least 90 percent of the original annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) in which the savings/revenues were realized, shall be retained by the agency for agency operations.

(b) The net savings/revenues realized in a fiscal year are to be considered encumbered by the agency implementing the suggestion for purposes of carrying out the allocation of funds listed in Subsection (a). The amounts encumbered shall be accounted for in the following manner:

(1) Upon implementation of an approved employee suggestion, an agency shall establish a Savings Measurement Account for that suggestion and transfer into this account the share of the projected net first-year savings/revenues attributable to the suggestion during that fiscal year. All balances in these accounts as of August 31, 2003, are appropriated for fiscal year 2004, and all balances in these accounts as of August 31, 2004 are appropriated for fiscal year 2005. At the beginning of the following fiscal year, the agency shall transfer into the Savings Measurement Account the remaining share of the projected net savings/revenues for each approved suggestion.

(2) At the conclusion of the implementation period for an approved and implemented suggestion, the amount of net savings/revenues certified by the agency shall be compared with the balance in the Savings Measurement Account for that employee suggestion. If the certified net savings/revenue amount exceeds the balances in the Savings Measurement Account, the additional funds shall be derived from that agency's current year appropriations. If the certified net savings/revenue amount is less than the balance in the Savings Measurement Account, the excess amount deposited is available to the agency for expenditures in the current fiscal year for the same purposes as the original source appropriations. The certified net savings/revenues shall be transferred in accordance with Subsection (a).

(c) In the event that agencies identify statutory, federal or constitutional restrictions on the use of funds in accounts where savings/revenues were generated by approved employee suggestions, agencies are authorized to substitute other funding and appropriation sources for the 10 percent employee award portion under Subsection (a). All such substitutions for

statutory, federal, or constitutional restrictions shall be reviewed and approved by the Comptroller before the substitution of 10 percent from other funds is adopted.

(d) The Comptroller shall develop rules for the above provisions of this section.

(e) A state agency may grant an award to an eligible state employee who makes a suggestion that is approved and implemented and provides a net reduction in an agency's expenditures, provides for net annual increase in revenue, increases agency productivity or improves the quality of state services. In accordance with the intent of the Legislature set forth in § 2108.023, Government Code, an employee is eligible for a bonus of 10 percent of the net savings or revenue increases, not to exceed $5,000, if the employee's suggestions equal or exceed $500 after implementation costs; a bonus under this section is not a merit salary increase or a one-time merit payment for purposes of § 659.255, Government Code. If an employee is not eligible for a bonus, a state agency may grant a recognition award in the amount of $50 to an employee who makes a suggestion that relates to a state agency and conserves energy, enhances safety, improves customer service, or results in adoption of any innovation or improvement. An employee eligible to participate in this program is defined as an employee under § 2108.024, Government Code.

Sec. 11.15. **Contingency Appropriation Reduction.**

(a) In the event that it is necessary, in order to certify the appropriations in this Act, the Comptroller is authorized to reduce appropriations made by this Act out of the General Revenue Fund and general revenue dedicated accounts by the percentage that would be sufficient to certify that appropriations are within available revenue, while excluding appropriations exempted from the application of this section.

(b) The reductions required by this section do not apply to constitutionally dedicated funds; funds pledged for the payment of debt service; funds appropriated to the Employee Retirement System, the Teacher Retirement Fund, and the Foundation School Program; amounts necessary for salaries out of appropriations made in Article IV of this Act; appropriations made in Article XII of this Act; or to items of appropriations designated "estimated."

(c) The Comptroller shall determine the amounts to be reduced pursuant to this section no later than October 1, 2003 and shall inform the Legislative Budget Board and the Governor as to the reduction amounts for each agency. The Comptroller shall also inform each state agency and institution affected by the reductions no later than October 15, 2003.

Sec. 11.16. **Appropriations from State Tax Revenue.** The appropriations from state tax revenue not dedicated by the Constitution for the 2004–05 biennium shall not exceed the Texas Constitution's Article VIII, § 22 limit of $54,988,178,150 established by the Legislative Budget Board pursuant to § 316.002, Government Code. The limit on appropriations that can be made for the 2004–05 biennium is subject to adjustments resulting from revenue forecast revisions or subsequent appropriations certified by the Comptroller to the 2002–03 biennial appropriations from state tax revenue not dedicated by the Constitution. The Comptroller may adjust the composition of fund and account balances without any net change in balances or change in appropriations so as to ensure compliance with the limit set forth in Article VIII, § 22 of the Texas Constitution.

Sec. 11.17. **State Agency Emergency Leases.** It is the intent of the Legislature that all emergency leases held by state agencies be eliminated over the course of the 2002–03 biennium. To assure for better planning on the part of state agencies and response from the Texas Building and Procurement Commission Leasing Division, state agencies are directed to adhere to the following provisions:

(a) A state agency that is in an emergency lease agreement on September 1, 2003 shall have its appropriation in each fiscal year in which it is in the emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.

(b) At least one year before an agency's lease expires, an agency must notify the Texas Building and Procurement Commission in writing of its intent to renew its existing lease or relocate its offices.

(c) If an agency fails to notify the Texas Building and Procurement Commission in writing at least one year prior to a lease expiration, and is subsequently forced to initiate an emergency lease agreement, the agency shall have its appropriation in the each fiscal year in which it is in an emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.

(d) If an agency notifies the Texas Building and Procurement Commission in writing one year prior to a lease expiration in accordance with Chapter 2167, Government Code, and the Texas Building and Procurement Commission fails to renew/initiate a lease agreement for the agency by the lease expiration date, and an agency is forced to initiate an emergency lease agreement, the Texas Building and Procurement Commission shall have its appropriation reduced in each fiscal year in which the affected agency is in an emergency lease agreement by the dollar amount charged to the agency in addition to the agency's base level rent.

(e) The Comptroller will make all necessary reductions established in this provision each month of an emergency lease agreement. Funds lapsed by agencies for violation of this provision shall be deposited into the fund in the State Treasury from which they were originally appropriated.

(f) Additionally, the Texas Building and Procurement Commission shall provide quarterly reports to the Legislative Budget Board and the Governor detailing the number of state agencies holding emergency leases, and providing the status on the progress of terminating the emergency lease agreement.

(g) In addition to the requirements of this section, emergency leases for health and human services agencies are also governed by § 2167.004, Government Code.

(h) The Department of Agriculture is exempted from the provisions of this section.

Sec. 11.18. **Centralization of Functions Related to Leasing State Office Space.**

(a) It is the intent of the Legislature that all programs and activities relating to leasing state office space be administered by the Texas Building and Procurement Commission (TBPC) in accordance with Government Code Chapter 2167.

(b) Notwithstanding other provisions contained in the Act, no state agency, other than the TBPC may use funds appropriated herein to pay for programs and activities related to leasing state office space. Each state agency shall appoint a current employee of the agency, including the executive director of the agency, as a liaison to work with the TBPC to coordinate leasing activities.

(c) By November 1, 2003, the Comptroller of Public Accounts shall develop policies and procedures for identifying and reducing agency appropriations for the biennium associated with leasing services, as defined in Government Code Chapter 2167 and such reductions for

each fiscal year of the biennium shall be made not later than December 1, 2003. Amounts reduced shall be deposited to the credit of the fund from which the original appropriation was made and in the fiscal year from which the original appropriation was made.

(d) The Comptroller shall submit a report for each fiscal year of the biennium to the Legislative Budget Board and the Governor identifying the amount of appropriations reductions by agency on or before December 1, 2003.

Sec. 11.19. **Appropriation Transfers: Billings for Statewide Allocated Costs.** As provided by Chapter 2106, Government Code, relating to billings to state agencies for the costs of support services allocated to agencies under the statewide cost allocation plan which implements *e-Texas Issue AFM-3 (2001),* the Comptroller shall transfer appropriations made to state agencies and institutions of higher education by this Act (excluding the State Aircraft Pooling Board) to the General Revenue Fund, under Articles I-VIII of this Act, in amounts which total $31,465,000 for the biennium.

At least thirty days prior to making transfers of agency appropriations to the General Revenue Fund pursuant to this provision, the Comptroller shall develop and prepare a plan of reductions and notify the Legislative Budget Board and Governor of the amounts proposed for reduction by each agency.

Sec. 11.20. **Contingency Rider.** It is the intent of the Legislature that appropriations made in this Act be expended only for purposes and programs specifically funded in the Act, and contingency appropriations made for legislation adopted by the Seventy-eighth Legislature be the sole source of funding for implementation of that legislation. No state agency or institution of higher education is required to reallocate or redistribute funds appropriated in this Act to provide funding for programs or legislation adopted by the Seventy-eighth Legislature for which there is not specific appropriation or contingency provision identified in this Act.

Sec. 11.21. **TexasOnline Authority: Occupational Licenses.** Each licensing entity is authorized to increase the occupational license or permit fees imposed on the licensing entity's licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority to the licensing entity pursuant to Subchapter I, Chapter 2054, Texas Government Code. Each licensing entity provided by Subchapter I, Chapter 2054, Texas Government Code is hereby appropriated the additional occupational license or permit fees in excess of the Comptroller's biennial revenue estimate 2004–05 and shall pay the TexasOnline contractor the subscription fee authorized by Subchapter I, Chapter 2054, Texas Government Code. The licensing entities are hereby appropriated an amount equal to the subscription fees collected pursuant to Subchapter I, Chapter 2054, Texas Government Code for the sole purpose of payment to the TexasOnline contractor for costs of implementing and maintaining electronic services for the licensing entities.

Sec. 11.22. **Appropriations Limited to Revenue Collections: Texas Emissions Reduction Plan.**

(a) Included in the amounts appropriated in this Act are revenues accruing to the Texas Emissions Reduction Plan (TERP) Account No. 5071 during the 2004–05 biennium (estimated to be $21,402,000 in fiscal year 2004 and $21,828,000 in fiscal year 2005) to carry out programs of the TERP.

(b) Allocations of TERP revenues included in this Act are as follows:

(1) For the Texas Commission on Environmental Quality (TCEQ), 72 percent of TERP revenues to be used as incentive payments for the Diesel Emissions Reduction Program established in Subchapter C, Chapter 386, Health and Safety Code (estimated to be $15,409,490 in fiscal year 2004 and $15,716,160 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the TCEQ in

administering the Diesel Emissions Reduction Program (estimated to by $160,515 in fiscal year 2004 and $163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;

(2) For the Public Utility Commission (PUC), 7.5 percent of TERP revenues to be used for grant payments for the Energy Efficiency Grant Program as provided in Subchapter E, Chapter 386, Health and Safety Code, (estimated to be $1,637,100 in fiscal year 2004 and $1,637,100 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the PUC in administering the Energy Efficiency Grant Program (estimated to be $160,515 in fiscal year 2004 and $163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;

(3) For the Fiscal Programs - Comptroller of Public Accounts, 10 percent of TERP revenues to be used for incentive payments for the Motor Vehicle Purchase or Lease Incentive Program established in Subchapter D, Chapter 386, Health and Safety Code, (estimated to be $2,140,200 in fiscal year 2004 and $2,182,800 in fiscal year 2005) and 0.75 percent of TERP revenues to be used for administrative costs incurred by the Comptroller in administering the Motor Vehicle Purchase or Lease Incentive Program (estimated to be $160,515 in fiscal year 2004 and $163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;

(4) For the Texas Engineering Experiment Station (TEES), 0.75 percent of TERP revenues to be used for administrative costs associated with the Texas Building Energy Performance Standards, Chapter 388, Health and Safety Code (estimated to be $160,515 in fiscal year 2004 and $163,710 in fiscal year 2005), as provided by § 386.252, Health and Safety Code;

(5) For the Texas Council on Environmental Technology (TCET), 7.5 percent of TERP revenues to be used for grant funding and administrative costs associated with the New Technology Research and Development Program established in Chapter 387, Health and Safety Code (estimated to be $1,605,149 in fiscal year 2004 and $1,637,099 in fiscal year 2005). The first $90,000 from the 7.5 percent of TERP revenues allocated to the Texas Council of Environmental Technology in each fiscal year shall be deposited to the Clean Air Account No. 151 for use by TCEQ to supplement funding for air quality activities in affected counties as defined in § 386.001, Health and Safety Code. Of the remaining amounts appropriated to the Texas Council on Environmental Technology, not more than $203,893 in each fiscal year shall be spent on administrative costs with remaining funds to be used to make grants for new technologies. The amount appropriated for administrative costs may increase as provided in Subsection (e), if revenues to the TERP Account No. 5071 exceed $21,402,200 in fiscal year 2004 or exceed $21,828,000 in fiscal year 2005.

(c) It is the intent of the Legislature that fees generated and deposited to the TERP Account No. 5071 cover, at a minimum, the costs of the appropriations made out of the TERP Account No. 5071 by this Act, as well as the "other direct and indirect costs" associated with TERP programs. In the event that actual or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller reduce the appropriation authority provided above to be within the amount of revenue expected to be available, provided that the reduction is in proportion to each agency's share of TERP funding as allocated above and as provided in § 386.252, Health and Safety Code.

(d) In the event that the Comptroller makes a finding that revenues to the TERP Account No. 5071 will total more than $21,402,000 in fiscal year 2004 or more than $21,828,000 in fiscal year 2005, the Comptroller shall notify the Legislative Budget Board of that finding at least 14 days prior to the disbursement of such funds. The Comptroller shall include in that notification an estimate of the amount expected to be received in excess of those amounts and an estimate of the amount of additional funds each agency will receive according to the allocation schedule described in section (e) below.

(e) In addition to amounts appropriated by this section out of the TERP Account No. 5071, there is hereby appropriated all revenues received by the TERP Account No. 5071 in excess of $21,402,200 in fiscal year 2004 and in excess of $21,828,000 in fiscal year 2005 of the biennium. Such additional amounts shall be allocated to each agency according to the following proportions: 72 percent to TCEQ for incentive payments for the Diesel Emissions Reduction Program; 7.5 percent to the PUC for grant payments for the Energy Efficiency Grant Program; 10 percent to the Fiscal Programs - Comptroller of Public Accounts for incentive payments for the Motor Vehicle Purchase or Lease Incentive Program; 6.9 percent to the TCET for grants and 0.2 percent to the TCET for administrative costs; 0.4 percent to be deposited to the Clean Air Account No. 151 and appropriated to TCEQ to supplement funding for air quality activities in affected counties; 2.25 percent to TCEQ for administrative costs; 0.35 percent to the Comptroller for administrative costs; 0.2 percent to the PUC for administrative costs; and 0.2 percent to the TEES for administrative costs.

(f) Any unexpended balances in the appropriations made by this section out of the TERP Account No. 5071 on August 31, 2004, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

Sec. 11.23. **Disaster Related Transfer Authority.**

(a) In the event of a disaster proclamation by the Governor under the Texas Disaster Act of 1975, Chapter 418, Government Code, transfers of appropriations made in this Act, if necessary to respond to the disaster and if made according to the terms of this section, are permitted.

(b) Health and Human Services Agencies: For a health and human services agency listed in Chapter 531, Government Code, that directly responds to the disaster, the Commissioner of Health and Human Services is authorized to transfer funds from another health and human services agency listed in Chapter 531, Government Code to the responding agency, and may transfer funds between the strategies of each agency for the purpose of funding the disaster response subject to the prior notification of the Legislative Budget Board and Governor as provided by Subsection (e).

(c) Other Agencies: An agency other than a health and human services agency listed in Chapter 531, Government Code that directly responds to a disaster may transfer appropriations within the agency, without regard to any limits on transfer of appropriations between strategies, subject to the prior notification of the Legislative Budget Board and Governor as provided by Subsection (e).

(d) Transfers Between Agencies: In the event that a transfer involving at least one agency not listed in Chapter 531, Government Code is necessary in order to respond to a disaster, the agencies involved in the transfer shall request approval from the Legislative Budget Board and the Governor for the emergency transfer of funds, pursuant to Article XVI, Section 69, Texas Constitution. Any request under this subsection should include the same information required in the recommended plan of transfer below, and a copy shall be provided to the Comptroller.

(e) Notification of Recommended Plan of Transfer.

(1) Recommended Plan of Transfer: A recommended plan of transfer submitted by an agency to the Governor and Legislative Budget Board under this section must include the following information:

(A) a copy of the appropriate disaster proclamation made under Chapter 418, Government Code;

(B) the amounts to be transferred (listed by method of finance);

(C) the agency or agencies affected;

(D) the programs affected by the transfer; and

(E) any other information requested by the Legislative Budget Board.

(2) Notification and Approval: An agency must notify the Legislative Budget Board, the Comptroller, the Governor, and any other agency involved in the transfer at least 14 days prior to the date of recommended transfers. If neither the Legislative Budget Board nor the Governor issue a written disapproval within 14 days of receipt of the agency recommended plan of transfer, the Comptroller shall transfer the funds as recommended.

Sec. 11.24. **Communities in Schools.** Out of the funds appropriated in this Act to the Texas Education Agency in Strategy A.2.5., School Improvement and Support Programs, $12,788,865 shall be set aside out of the State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Department of Protective and Regulatory Services for the Communities In Schools program. In addition, from surplus TANF funds not otherwise appropriated, $4 million is appropriated for the Communities In Schools program for each fiscal year. These funds will go to Texas Protective and Regulatory Services or any other agency that administers the Communities In Schools program.

Sec. 11.25. **Informational Items.** Object of expense (OOE) listings contained in this Act, and other informational listings are not appropriations, and are merely informational listings that are intended to qualify or direct the use of funds appropriated in agency strategies, or are incidental to the appropriation made in the agency strategies.

Sec. 11.26. **Delay of Motor Fuels Allocation.** It is the intent of the Legislature that pursuant to legislation delaying the allocation of certain motor fuels taxes the Comptroller shall allocate the last quarter of fiscal year 2005 motor fuel taxes in fiscal year 2006.

## PART 12. e-TEXAS

Sec. 12.01. **Contingency Provisions for Senate Bill 459.** Contingent on the enactment of Senate Bill 459, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 2, *Improve Youth Offender Services*, the following provisions shall take effect:

(a) Appropriations made by this Act out of the General Revenue Fund to the Juvenile Probation Commission in appropriation item B.1.1., Direct and Indirect Administration, are hereby reduced by $188,000 for fiscal year 2004 and $982,000 for fiscal year 2005.

(b) Any remaining appropriations made by this Act to the Juvenile Probation Commission are hereby transferred to the Texas Youth Commission, effective September 1, 2003, for the purpose of administering Chapter 61, Human Resources Code, and the provisions of Senate Bill 459.

(c) Appropriations made elsewhere in this Act for employee benefit costs are hereby reduced by $53,000 in General Revenue for fiscal year 2004 and $213,000 in General Revenue for fiscal year 2005.

(d) The "Number of Full-Time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Texas Youth Commission is hereby increased for each fiscal year of the biennium beginning September 1, 2003, by forty-four (44) FTEs.

Sec. 12.02. **Contingency Provisions for Senate Bill 1421.** Contingent on the enactment of Senate Bill 1421, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendation contained in e-Texas issue GG 3, *Consolidate Health and Human Service Agencies to Reduce Cost and Improve Service Delivery*, the following provisions shall take effect:

(a) *Appropriation Reductions.* Appropriations made elsewhere in this Act for fiscal year 2005 are hereby reduced as follows: from the General Revenue Fund, $77,428,000, and from Federal Funds, $101,120,000.

(b) *Reduction Consultation.* The reductions, as well as related funds transfers, will be made by the Comptroller from appropriations made to various Health and Human Services agencies in accordance with recommendation GG 3 and in consultation with the Health and Human Services Commission, the Legislative Budget Board, and the Governor's Office.

(c) *Employee Benefit Cost.* Appropriations made elsewhere in this Act for employee benefit costs are hereby reduced by $1,572,000 in General Revenue for fiscal year 2005.

(d) *Rider Provisions.* The Health and Human Services Commission shall, in consultation with the Legislative Budget Board and the Governor's Office, reassign, to the appropriate agency or agencies created or expanded by Senate Bill 1421, the rider provisions applicable to agencies abolished by Senate Bill 1421.

Sec. 12.03. **Contingency Provision for Senate Bill 622.** Contingent on the enactment of Senate Bill 622, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 6, *Centralize Customer Services for Licensing Agencies*, the following provisions shall take effect:

(a) *Appropriation Transfer to TDLR.* The General Revenue appropriations for fiscal year 2005 made by this Act to the agencies listed below are hereby transferred, in the amounts indicated, to the Texas Department of Licensing and Regulation (TDLR) for fiscal year 2005 and may be expended only for the purpose of designing and implementing a Customer Service Center pursuant to provisions of Senate Bill 622.

| Agency | Amount to the transferred to TDLR for GG-6, part B |
|---|---|
| Board of Medical Examiners | $104,844 |
| Real Estate Commission (Includes Appraiser Licensing and Certification Board) | 88,132 |
| Board of Public Accountancy | 65,929 |
| Board of Nurse Examiners | 62,536 |
| Board of Pharmacy | 55,467 |
| Cosmetology Commission | 40,726 |
| Board of Professional Engineers | 32,646 |
| Board of Plumbing Examiners | 30,799 |
| Board of Architectural Examiners | 29,649 |
| Board of Dental Examiners | 27,623 |
| Board of Vocational Nurse Examiners | 27,161 |
| Structural Pest Control Board | 26,671 |
| Board of Examiners of Psychologists | 15,922 |
| Executive Council of Physical Therapists and Occupational Therapy Examiners | 15,909 |
| Board of Veterinary Medical Examiners | 11,975 |
| Board of Barber Examiners | 10,992 |
| Funeral Service Commission | 10,643 |
| **Total, General Revenue Fund** | **$657,624** |

(b) *TDLR Appropriation Reduction.* Appropriations made by this Act out of the General Revenue Fund to the TDLR for fiscal year 2005 are hereby reduced by $57,133.

(c) *Appropriation Transfer to DIR.* Appropriations made by this Act out of the General Revenue Fund to the TDLR for fiscal year 2005 in the amount of $74,000 are hereby transferred to the Department of Information Resources (DIR) for the purpose of procuring and administering a vendor contract pursuant to Government Code, § 2054.255 as added by Senate Bill 622.

(d) *FTE Adjustments, DIR and TDLR.* The FTE figure for the Department of Information Resources for fiscal year 2005 is hereby increased by one FTE. The FTE figure for the TDLR for fiscal year 2005 is hereby increased by two FTEs.

(e) *Appropriation Reduction to Licensing Agencies.* No later than September 1, 2004, the TDLR shall certify to the Legislative Budget Board the aggregate savings anticipated to be realized by each of the agencies listed above in Subsection (a) of this section due to the operations of the Customer Service Center for fiscal year 2005. Upon certification of these amounts by the Legislative Budget Board, the Comptroller of Public Accounts shall reduce the fiscal year 2005 General Revenue Fund appropriation of each identified agency by the certified amount. Out of the aggregate reduction made pursuant to this subsection, 50 percent is hereby reappropriated to the TDLR to fund the operation of the Customer Service Center for fiscal year 2005. The remaining 50 percent of this amount is hereby reappropriated to the Department of Information Resources for the purpose of paying the fiscal year 2005 installment on the vendor contract executed pursuant to Government Code, § 2054.255, as added by Senate Bill 622.

(f) *Additional FTE Adjustment, TDLR.* No later than September 1, 2004, the TDLR shall certify to the Legislative Budget Board the number of positions to be transferred from each of the

agencies listed above in Subsection (a) of this section to the TDLR pursuant to Government Code, § 51.501 to staff a "Customer Service Center." Upon certification by the Legislative Budget Board, the FTE figure for the TDLR for fiscal year 2005 shall be increased by the number of positions so transferred and the FTE figure for each of the agencies from which the positions were transferred shall be reduced by a like figure.

Sec. 12.04. **Contingency Provisions for House Bill 1318.** Contingent on the enactment of House Bill 1318, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 10, *Reduce Management Costs in State Government*, the following provisions shall take effect:

(a) Appropriations made by this Act are hereby reduced for fiscal year 2004, by the amounts indicated and from the appropriation sources indicated. From the General Revenue Fund, $7,207,800, from General Revenue-Dedicated Funds, $3,497,400, and from Federal Funds, $9,051,600. These amounts include reductions in appropriations for employee benefits.

(b) Appropriations made by this Act are hereby reduced for fiscal year 2005, by the amounts indicated and from the appropriation sources indicated. From the General Revenue Fund, $10,134,600, from General Revenue-Dedicated Funds, $5,498,400, and from Federal Funds, $11,965,200. These amounts include reductions in appropriations for employee benefits. The Comptroller will make the reductions in a manner consistent with the recommendations in issue GG 10, in consultation with the Legislative Budget Board.

Sec. 12.05. **Contingency Provisions for House Bill 906.** Contingent on the enactment of House Bill 906, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 11, *Reduce Human Resource Management Costs*, the following provisions shall take effect:

(a) Appropriations made by this Act to the agencies listed below are hereby reduced for each fiscal year of the biennium beginning on September 1, 2003, by the amounts and from the appropriation sources indicated below. The "Number of Full-Time Equivalent Positions (FTE)" item in the bill pattern for each of the agencies listed below is hereby reduced for each fiscal year of the biennium beginning September 1, 2003, by the number indicated.

| Agency # | Agency Name | General Revenue | General Revenue Dedicated | Federal Funds | Other Funds | FTE Reductions |
|---|---|---|---|---|---|---|
| 302 | Attorney General, Office of the | $33,000 | $1,000 | $6,000 | $1,000 | 1 |
| 303 | Texas Building and Procurement Commission | $56,000 | $2,000 | $0 | $0 | 2 |
| 305 | General Land Office | $36,000 | $11,000 | $24,000 | $26,000 | 2 |
| 318 | Blind, Texas Commission for the | $11,000 | $17,000 | $13,000 | $0 | 1 |
| 324 | Human Services, Department of | $987,000 | $11,000 | $148,000 | $0 | 37 |
| 330 | Rehabilitation Commission | $748,000 | $0 | $107,000 | $0 | 21 |
| 453 | Workers' Compensation Commission | $299,000 | $0 | $43,000 | $0 | 10 |
| 454 | Insurance Department of | $0 | $160,000 | $0 | $0 | 8 |
| 455 | Railroad Commission | $50,000 | $11,000 | $15,000 | $0 | 2 |
| 458 | Alcoholic Beverage Commission | $6,000 | $0 | $0 | $0 | 1 |
| 501 | Health, Department of | $103,000 | $34,000 | $38,000 | $0 | 5 |
| 530 | Protective & Regulatory Services, Dept. of | $227,000 | $0 | $32,000 | $0 | 7 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 582 | Texas Commission on Environmental Quality | $62,000 | $397,000 | $51,000 | $0 | 13 |
| 601 | Transportation, Department of | $13,000 | $3,000 | $1,470,000 | $3,348,000 | 120 |
| 694 | Youth Commission, Texas | $989,000 | $0 | $0 | $0 | 26 |
| 696 | Criminal Justice, Dept. of | $3,538,000 | $0 | $0 | $0 | 93 |
| 701 | Education Agency, Texas | $44,000 | $0 | $10,000 | $0 | 3 |
| | **Total** | **$7,202,000** | **$695,000** | **$2,092,000** | **$3,406,000** | **352** |

(b) Due to the reduction in FTEs, the appropriations to the Employees Retirement System for retirement and health insurance are hereby reduced by the amounts listed below for each year of the biennium. The appropriations for FICA taxes are hereby reduced for the amounts listed below for each year of the biennium.

| Contribution | General Revenue | General Revenue Dedicated | Federal Funds | Other Funds |
|---|---|---|---|---|
| ERS (20.63%) | $1,486,000 | $143,000 | $432,000 | $703,000 |
| FICA (7.65%) | $551,000 | $53,000 | $160,000 | $261,000 |

Sec. 12.06. **Contingency Provisions for Senate Bill 897.** Contingent on the enactment of Senate Bill 897, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue GG 13, *Provide Retirement Incentives for State Employees to Reduce Costs*, the following provisions shall take effect:

(a) For each state employee who receives a lump-sum retirement incentive payment pursuant to the provisions of Senate Bill 897, the Comptroller of Public Accounts shall reduce the appropriation of the agency employing the state employee on the effective date the employee's retirement by an amount equal to thirty-five percent (35%) of the employee's average monthly salary multiplied by the number of whole months remaining in the biennium after the effective date of the employee's retirement.

(1) In the event that a state employee who receives a lump-sum payment as described by Subsection "a" of this section retires effective August 31, 2003, the effective date of the retirement shall be deemed to be September 1, 2003 for the purpose of Subsection (a) of this section and the appropriation reduction required by Subsection (a) of this section shall apply to appropriations made in this Act for fiscal year 2004 and fiscal year 2005.

(2) In the event that a state employee who receives a lump-sum payment as described by Subsection (a) of this section retires during fiscal year 2004, the Comptroller shall apply a proportionate amount of the reduction to fiscal year 2004 and fiscal year 2005.

(3) For the purpose of Subsection (a) of this section, the "employee's average monthly salary" shall mean the average of the regular monthly salary paid by the agency to the employee during the 12-month period preceding the month in which the employee retires.

(b) The appropriation amounts reduced pursuant to Subsection (a) of this section or as much thereof as may be necessary, are hereby reappropriated to the Comptroller of Public Accounts for the purpose of paying lump-sum retirement incentive payments pursuant to

Senate Bill 897. Amounts not necessary to provide for the lump-sum retirement incentives shall be transferred to the unappropriated balances of the originating fund.

(1) In the event that the appropriation made under Subsection (b) of this section is not sufficient to fund the lump-sum retirement incentive payments authorized by Senate Bill 897, the Comptroller of Public Accounts is hereby appropriated, out of the General Revenue Fund and other funds, the amounts necessary to provide for the Senate Bill 897 lump-sum retirement incentive payments.

(2) In no event shall funds appropriated by this Act be used to pay Senate Bill 897 lump-sum retirement incentive payment to, in excess of, twenty-five percent (25%) of the employee's total regular salary for the 12-month period preceding the month in which the employee retires.

(c) The method of financing of the appropriation reduction required by Subsection (a) of this section and of the lump-sum retirement incentive payments shall be proportionate to the fund or funds from which the employee's salary warrants were issued during the 24-month period preceding the month in which the employee retires.

(d) It is the intent of the Legislature that implementation of these provisions will result in net General Revenue appropriations reductions of at least $32,831,000 for the 2004–05 biennium.

Sec. 12.07. **Contingency Provisions for Senate Bill 388.**

(a) Contingent upon the enactment by the Seventy-eighth Legislature, Regular Session, of Senate Bill 388, or similar legislation providing for the deposit of the proceeds from the sale of real property owned by the state to the General Revenue Fund, the Comptroller of Public Accounts is hereby directed to reduce the General Revenue Fund appropriations made by this Act to the following agencies by the following amounts, to be evenly divided between fiscal years 2004 and 2005:

(1) Department of Health by $153,000;
(2) Department of Mental Health and Mental Retardation by $6,301,706;
(3) Military Facilities Commission by $103,700;
(4) Building and Procurement Commission by $7,123,000;
(5) Department of Criminal Justice by $18,644,325;
(6) Parks and Wildlife Department by $389,024; and
(7) Department of Public Safety by $461,295.

(b) The Comptroller of Public Accounts is hereby directed to reduce the State Highway Fund 006 appropriations made by this Act to the Department of Transportation in Strategy B.1.1., Central Administration, by $5,309,908, to be evenly divided between fiscal years 2004 and 2005.

(c) Proceeds from the sale of property by or for the agencies listed in Subsections (a) or (b) of this section are hereby appropriated to the agency owning the property at the time of the sale and shall be apportioned by the Comptroller of Public Accounts to the item or items of appropriation from which the Subsection (a) or (b) of this section reductions were drawn. The appropriation made by this subsection shall apply only to the sale of those real properties that were recommended by the Asset Management Division of the General Land Office for sale and not disapproved for sale by the Governor pursuant to Chapter 31, Natural Resource Code during calender years 1995 through 2002.

(d) The total amount appropriated to an agency by Subsection (c) of this section shall not exceed 110 percent of the amount of the appropriation reduction for that agency made by Subsections (a) or (b) of this section. In the event that the proceeds of such sale exceed 110 percent of the amount of the Subsections (b) or (c) of this section reduction, the surplus shall be transferred by the Comptroller to the unappropriated balance of the General Revenue Fund, except in the case of a sale by the Texas Department of Transportation, in such case any surplus shall be deposited into the State Highway Fund 006.

Sec. 12.08. **Contingency Reduction for Senate Bill 314.** Contingent upon the enactment of Senate Bill 314, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations in e-Texas issue HHS 3, *Use Transportation Brokers to Improve the State's Medical Transportation Program*, the following provisions take effect:

(a) General Revenue Fund appropriations to the Department of Health in Strategy B.1.1. are hereby reduced by $1,117,000 for fiscal year 2004 and $2,234,000 for fiscal year 2005 and federal funds are hereby reduced by an equal amount.

(b) The "Number of Full-Time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Texas Department of Health is hereby reduced by 76.5 for fiscal year 2004 and by 153 for fiscal year 2005.

(c) General Revenue Fund appropriations made elsewhere in this Act for employee benefit costs are hereby reduced by $316,000 in fiscal year 2004 and $632,000 in fiscal year 2005.

(d) Notwithstanding other provisions in this Act providing authority for the Health and Human Services Commissioner to transfer full-time equivalent positions, the Commissioner is authorized to transfer full-time equivalent positions associated with the Medical Transportation Program (estimated to be seven) from the Texas Department of Health to the Health and Human Services Commission to implement the bill's provisions.

Sec. 12.09. **Contingency Reduction in Appropriations for Senate Bill 327.** Contingent upon the enactment of Senate Bill 327, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations in e-Texas issue HHS 4, *Implement a Disease Management Program for Medicaid Patients*, appropriations made by this Act to the Health and Human Services Commission for the medical assistance program are hereby reduced by $8,269,000 in General Revenue and $12,403,500 in Federal Funds for fiscal year 2004 and $16,731,000 in General Revenue and $25,096,500 in Federal Funds for fiscal year 2005.

Sec. 12.10. **Contingency Reduction in Appropriation for Senate Bill 1173.** Contingent upon enactment of Senate Bill 1173, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing recommendation C in e-Texas issue HHS 8, *Improve Purchasing of Prescription Drugs*, the General Revenue Fund appropriations to the Employees Retirement System made by this Act are hereby reduced by $1,000,000 in fiscal year 2004 and $1,000,000 in fiscal year 2005 and General Revenue Fund appropriations to the Teacher Retirement System made by this Act are hereby reduced by $4,676,000 in fiscal year 2004 and $9,354,000 in fiscal year 2005.

Sec. 12.11. **Contingency Reduction in Appropriation for Senate Bill 1421.** Contingent upon passage of Senate Bill 1421, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations in e-Texas issue HHS 12, *Increase Third-Party Liability Reimbursements for Medicaid*, the following provisions take effect:

## e-TEXAS
(Continued)

(a) The General Revenue Fund appropriations to the Department of Human Services are hereby reduced by $365,000 for fiscal year 2004 and $729,000 for fiscal year 2005.

(b) The General Revenue Fund appropriations to the Health and Human Services Commission for the medical assistance program are hereby reduced by $5,776,000 for fiscal year 2004 and $12,057,000 for fiscal year 2005.

(c) The sum of $55,000 in General Revenue appropriated elsewhere to the Department of Human Services for fiscal year 2004 for third-party recovery functions is hereby transferred from the Department of Human Services to the Health and Human Services Commission.

(d) Not withstanding limitations on capital expenditures provided elsewhere in this Act, the Health and Human Services Commission is hereby authorized to expend out of amounts appropriated elsewhere up to $500,000 in General Revenue Funds and $500,000 in Federal Funds for fiscal year 2004 to make automation changes related to implementation of the bill's provisions.

(e) The Health and Human Services Commission and the Department of Human Services are hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items in their respective bill patterns.

(f) Notwithstanding other provisions in this Act providing authority for the Health and Human Services Commissioner to transfer full-time equivalent positions, after consulting with the Legislative Budget Board, the Commissioner of Health and Human Services is authorized to transfer full-time equivalent positions associated with implementing the recommendations in e-Texas issue HHS 12, Increase Third-Party Liability Reimbursements for Medicaid, from the Texas Department of Human Services to the Health and Human Services Commission to implement the bill's provisions.

(g) (1) The Texas Department of Human Services is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recoupments and interest earnings received in fiscal year 2004 and fiscal year 2005. Medicaid Subrogation Receipts shall be expended as they are received as a first source, and General Revenue shall be used as a second source of funding. In the event that these revenues should be greater than the amounts identified in the method of finance of the Texas Department of Human Services as Medicaid Subrogation Receipts (State Share), the Texas Department of Human Services is hereby appropriated and authorized to expend these state funds thereby made available, subject to the following requirements:

(A) Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;

(B) In the event General Revenue has been expended prior to the receipt of the state's share of Medicaid Subrogation Receipts, the commission shall reimburse General Revenue through the cost allocation process authorized by this Article IX of this Act. This reimbursement process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess Medicaid Subrogation Receipts; and

(C) The Texas Department of Human Services shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid Subrogation Receipts, expenditures, and anticipated revenues and balances.

(2) This subsection shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by another provision of Article IX of this Act.

Sec. 12.12. **Reduce Medicaid Fraud and Overpayment.** Contingent upon passage of Senate Bill 1168, or similar legislation that implements recommendation B in e-Texas issue HHS 13, *Strengthen Efforts to Reduce Medicaid Fraud and Overpayment*, the following provisions take effect:

(a) In addition to the amounts appropriated elsewhere in this Act, the Health and Human Services Commission (HHSC) is hereby appropriated $2,232,000 for fiscal year 2004 and $2,232,000 for fiscal year 2005 out of the General Revenue Fund for the Office of Investigation and Enforcement. Appropriations made in this subsection are for Strategy B.1.2., Investigations and Enforcement in the Health and Human Service Commission's bill pattern. In addition, the "Number of Full-Time Equivalent Positions (FTE's)" figure indicated elsewhere in this Act for the HHSC is hereby increased by thirty-six for each year of the 2004–05 biennium for the Office of Investigation and Enforcement to implement HHS 13.

(b) The appropriation made to the HHSC is decreased by $47,292,000 in general revenue for the 2004-05 biennium in anticipation of reduced fraud and overpayments over the course of the biennium. The HHSC shall allocate this reduction to appropriate strategies in the commission's bill pattern by March 1, 2005, and shall notify the Legislative Budget Board and the Comptroller of the amount of reduction by strategy. The Comptroller shall make the reduction by April 1, 2005.

Sec. 12.13. **Surplus Property.** Contingent on the enactment of legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas II issue GG 40, *Increase Revenues from Surplus Property*, the following provision shall take effect:

Notwithstanding any other provision in this Act, receipts to any agency of the state government specified in this Act received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, and which were originally purchased with an appropriation from the General Revenue Fund shall be deposited into the General Revenue Fund and are not appropriated for expenditure. It is the intent of the legislature that implementation of GG 40 increase the amount of unobligated General Revenue by at least $1,705,000 in 2004 and $1,758,000 in 2005 above amounts contained in the Comptroller's January 2003 Biennial Revenue Estimate.

Sec. 12.14. **Medicaid Managed Care.** It is the intent of the Legislature that the Health and Human Services Commission implement the recommendations contained in e-Texas II issue HHS 14, *Achieve Greater Savings in Medicaid Managed Care.* In recognition of the savings from implementing HHS 14, the appropriations made by this Act out of the General Revenue Fund to the Health and Human Services Commission for the Medical Assistance Program are hereby reduced by $13,100,000 for fiscal year 2004 and by $15,200,000 for fiscal year 2005.

Sec. 12.15. **Contingency for House Bill 2292.** Contingent upon the enactment of House Bill 2292, or similar legislation by the Seventy-eighth Legislature, Regular Session, implementing the recommendations contained in e-Texas issue HHS 21, *Enforce Requirements that Welfare Recipients Attempt to Find Work*, the following provisions take effect:

## e-TEXAS
(Continued)

(a) General Revenue Fund appropriations to the Texas Department of Human Services for TANF maintenance of effort in Strategy B.1.1., TANF Grants, are hereby reduced by $10,881,000 for fiscal 2004 and $7,027,000 for fiscal 2005 and in Strategy B.1.2., CSS Eligibility & Issuance Services, are hereby reduced by $941,000 for fiscal 2004 and $1,506,000 for fiscal 2005.

(b) General Revenue Fund appropriations made elsewhere in this Act for employee benefit costs are hereby reduced by $266,000 in fiscal 2004 and $426,000 in fiscal 2005.

(c) The "Number of Full-Time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Department of Human Services is hereby reduced by 30.8 FTEs for fiscal year 2004 and 49.3 FTEs for fiscal year 2005.

## RECAPITULATION - ARTICLE IX
## GENERAL PROVISIONS
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Contingency Appropriation for Senate Bill 459 | (241,000) | (1,195,000) |
| Contingency Appropriation for Senate Bill 1421 | 0 | (79,000,000) |
| Contingency Appropriation for Senate Bill 622 | (57,133) | 0 |
| Contingency Appropriation for House Bill 1318 | (7,207,800) | (10,134,600) |
| Contingency Appropriation for House Bill 906 | (9,239,000) | (9,239,000) |
| Contingency Appropriation for Senate Bill 897 | (6,919,000) | (25,912,000) |
| Contingency Appropriation for Senate Bill 388 | (16,588,025) | (16,588,025) |
| Contingency Appropriation for Senate Bill 314 | (1,433,000) | (2,866,000) |
| Contingency Appropriation for Senate Bill 327 | (8,269,000) | (16,731,000) |
| Contingency Appropriation for Senate Bill 1173 | (5,676,000) | (10,354,000) |
| Contingency Appropriation for Senate Bill 1421 | (6,141,000) | (12,786,000) |
| Contingency Appropriation for Senate Bill 1168 | (21,414,000) | (21,414,000) |
| Medicaid Managed Care, Rider Appropriations | (13,100,000) | (15,200,000) |
| Contingency Appropriation for House Bill 2292 | (12,088,000) | (8,959,000) |
| Capital Budget Reductions, Articles I - VIII, Rider Appropriations | (17,478,160) | (17,478,158) |
| Mileage Reimbursement Rate Reduction, Rider Appropriations | (3,600,000) | (3,600,000) |
| TOTAL, ARTICLE IX - GENERAL PROVISIONS | $ (129,451,118) | $ (251,456,783) |

## RECAPITULATION - ARTICLE IX
## GENERAL PROVISIONS
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Contingency Appropriation for House Bill 1318 | (3,497,400) | (5,498,400) |
| Contingency Appropriation for House Bill 906 | (891,000) | (891,000) |
| Capital Budget Reductions, Articles I - VIII, Rider Appropriations | (19,645,810) | (19,645,810) |
| TOTAL, ARTICLE IX - GENERAL PROVISIONS | $ (24,034,210) | $ (26,035,210) |

## RECAPITULATION - ARTICLE IX
## GENERAL PROVISIONS
## (Federal Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Contingency Appropriation for Senate Bill 1421 | 0 | (101,120,000) |
| Contingency Appropriation for House Bill 1318 | (9,051,600) | (11,965,200) |
| Contingency Appropriation for House Bill 906 | (2,684,000) | (2,684,000) |
| Contingency Appropriation for Senate Bill 314 | (1,117,000) | (2,234,000) |
| Contingency Appropriation for Senate Bill 327 | (12,403,500) | (25,096,500) |
| Communities in Schools, Rider Appropriations | 4,000,000 | 4,000,000 |
| TOTAL, ARTICLE IX - GENERAL PROVISIONS | $ (21,256,100) | $ (139,099,700) |

## RECAPITULATION - ARTICLE IX
## GENERAL PROVISIONS
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Contingency Appropriation for House Bill 906 | (4,370,000) | (4,370,000) |
| Contingency Appropriation for Senate Bill 388 | 16,588,025 | 16,588,025 |
| Less Interagency Contracts | $ 0 | $ 0 |
| TOTAL, ARTICLE IX - GENERAL PROVISIONS | $ 12,218,025 | $ 12,218,025 |

## RECAPITULATION - ARTICLE IX
## GENERAL PROVISIONS
## (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Contingency Appropriation for Senate Bill 459 | (241,000) | (1,195,000) |
| Contingency Appropriation for Senate Bill 1421 | 0 | (180,120,000) |
| Contingency Appropriation for Senate Bill 622 | (57,133) | 0 |
| Contingency Appropriation for House Bill 1318 | (19,756,800) | (27,598,200) |
| Contingency Appropriation for House Bill 906 | (17,184,000) | (17,184,000) |
| Contingency Appropriation for Senate Bill 897 | (6,919,000) | (25,912,000) |
| Contingency Appropriation for Senate Bill 314 | (2,550,000) | (5,100,000) |
| Contingency Appropriation for Senate Bill 327 | (20,672,500) | (41,827,500) |
| Contingency Appropriation for Senate Bill 1173 | (5,676,000) | (10,354,000) |
| Contingency Appropriation for Senate Bill 1421 | (6,141,000) | (12,786,000) |
| Contingency Appropriation for Senate Bill 1168 | (21,414,000) | (21,414,000) |
| Medicaid Managed Care, Rider Appropriations | (13,100,000) | (15,200,000) |
| Contingency Appropriation for House Bill 2292 | (12,088,000) | (8,959,000) |
| Communities in Schools, Rider Appropriations | 4,000,000 | 4,000,000 |
| Capital Budget Reductions, Articles I - VIII, Rider Appropriations | (37,123,970) | (37,123,968) |
| Mileage Reimbursement Rate Reduction, Rider Appropriations | (3,600,000) | (3,600,000) |
| Less Interagency Contracts | $ 0 | $ 0 |
| TOTAL, ARTICLE IX - GENERAL PROVISIONS | $ (162,523,403) | $ (404,373,668) |

# ARTICLE X

# THE LEGISLATURE

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

## SENATE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** SENATE | | |
| **A.1.1. Strategy:** SENATE | $ 27,428,666 | $ 29,502,662 |
| **Grand Total,** SENATE | $ 27,428,666 | $ 29,502,662 |

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Senate may be expended for constitutionally authorized annual salaries for Members of the Senate and the Lieutenant Governor, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling and other expenses of the Senate including interim expenses of the Seventy-eighth and Seventy-ninth Legislatures as may be authorized by law or by resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The Texas Senate shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the Texas Senate during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the appropriations made by the Legislature to the Senate are hereby appropriated to the Senate for the same purposes for the biennium beginning September 1, 2003.

## HOUSE OF REPRESENTATIVES

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** HOUSE OF REPRESENTATIVES | | |
| **A.1.1. Strategy:** HOUSE OF REPRESENTATIVES | $ 29,374,863 | $ 34,061,815 |
| **Grand Total,** HOUSE OF REPRESENTATIVES | $ 29,374,863 | $ 34,061,815 |

## HOUSE OF REPRESENTATIVES
(Continued)

| | | | | |
|---|---|---|---|---|
| **Method of Financing:** | | | | |
| General Revenue Fund | $ | 29,099,863 | $ | 33,771,815 |
| Appropriated Receipts | | 275,000 | | 290,000 |
| **Total, Method of Financing** | $ | 29,374,863 | $ | 34,061,815 |

1. **Purposes For Which Appropriations May Be Expended.** Funds appropriated to the House of Representatives may be expended for Constitutionally authorized annual salaries for Members of the House of Representatives, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in the National Conference of State Legislatures and in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling, and other expenses for the House of Representatives, including interim expenses of the Seventy-eighth and Seventy-ninth Legislatures as may be authorized by law or resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The House of Representatives shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the House during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the appropriations made by the Legislature to the House of Representatives are hereby appropriated to the House of Representatives for the same purposes for the biennium beginning September 1, 2003.

4. **Transfer Authority.** Transfers in an amount determined by the Speaker of the House may be made from these balances for the purpose of funding Senate Bill No. 54, Acts of the Sixty-fifth Legislature, Regular Session.

5. **Unexpended Balances: Senate and House of Representatives.** Any unexpended balances as of August 31, 2004 in the appropriations made hereinabove to the Senate and the House of Representatives are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

6. **Transfer and Appropriation to Legislative Budget Board Account.** Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred, upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Legislative Budget Board, such sums as may be deemed necessary but not to exceed an aggregate of $4,184,924 for the fiscal year beginning September 1, 2003 and $4,185,396 for the fiscal year beginning September 1, 2004, for maintaining the operations of said Legislative Budget Board. In addition to amounts identified elsewhere in this provision, there is hereby appropriated to the Legislative Budget Board out of the General Revenue Fund a total of $7,074,323 for the 2004–05 biennium in lieu of prior and other interagency transfers, including: $262,500 in each fiscal year from the Texas Education Agency for school finance modeling; $218,750 in each fiscal year from the Texas Education Agency for the Educational Economic Policy Center; $297,500 in each fiscal year from the Texas Department of Human Services for the Federal Funds Analysis Unit; $357,613 each fiscal year from the Texas Legislative Council for computer support; $1,233,698 each fiscal year for other necessary expenses in carrying out the provisions of Chapter 322, Government Code; $284,292 in fiscal year 2004 and $581,661 in fiscal year 2005 from unexpended balances; and $734,125 each fiscal year from the Department of Information Resources to evaluate and review information planning and information systems and strategic and biennial operating plans.

   Such sums as may be transferred to an account for the Legislative Budget Board shall be budgeted by said Board pursuant to Chapter 322, Government Code, and any amendments thereto including the payment of travel expenses and registration fees incurred by Budget Board

members or members of its staff in attending meetings on problems of federal-state relations, interstate problems, problems affecting state or local governments, and meetings sponsored by the Council of State Governments or any of its affiliated organizations, and contributions incident to membership in national or regional organizations of state governments.

7. **Unexpended Balances: Legislative Budget Board.**

   a. Any unexpended balances as of August 31, 2003, in the appropriations made to the Legislative Budget Board for fiscal year 2003, are hereby appropriated to the Legislative Budget Board for the biennium beginning September 1, 2003.

   b. Any unexpended balances as of August 31, 2004, in the appropriations made hereinabove to the Legislative Budget Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

8. **Transfer to Sunset Advisory Commission Account and Unexpended Balances.**

   a. Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Sunset Advisory Commission such sums as may be deemed necessary but not to exceed an aggregate of $1,472,460 for the fiscal year beginning September 1, 2003, and $1,501,832 for the fiscal year beginning September 1, 2004, for maintaining the operations of the Commission. Any unexpended balances as of August 31, 2004, in the appropriations made hereinabove to the Sunset Advisory Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

   b. Any unexpended balances as of August 31, 2003, in the appropriations made to the Sunset Advisory Commission for fiscal year 2003, are hereby appropriated to the Sunset Advisory Commission for the biennium beginning September 1, 2003.

## LEGISLATIVE COUNCIL

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** LEGISLATIVE COUNCIL | | |
| **A.1.1. Strategy:** LEGISLATIVE COUNCIL | $ 34,281,226 | $ 34,601,633 |
| **Grand Total,** LEGISLATIVE COUNCIL | $ 34,281,226 | $ 34,601,633 |

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Council may be expended for payment of salaries and other necessary expenses to carry out the council's statutory powers and duties (including those powers and duties provided by Chapters 301, 323, and 326, Government Code; §§ 531.203, 762.011, and 2053.004, Government Code; and § 276.008, Election Code) and to carry out responsibilities assigned pursuant to legislative resolution. Out of the funds appropriated above $1,000,000 each shall be transferred annually to the Senate and the House of Representatives for printing costs and $50,000 each shall be transferred annually for moving expenses.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 previously appropriated to the Legislative Council are hereby appropriated to the Council for the biennium beginning September 1, 2003 for the purposes stated in Rider provision 1 of the preceding appropriation to the Council.

   Any unexpended balances in the appropriations account of the Legislative Council as of August 31, 2004 are hereby appropriated to the Legislative Council for the fiscal year beginning September 1, 2004.

3. **Appropriation of Fees: Charges for Information Services.** In addition to other amounts appropriated, there is appropriated to the Legislative Council for the fiscal years beginning September 1, 2003 and September 1, 2004 any amounts received as charges under § 323.014(c), Government Code.

## COMMISSION ON UNIFORM STATE LAWS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** COMMISSION ON UNIFORM STATE LAWS | | |
| **A.1.1. Strategy:** COMMISSION ON UNIFORM STATE LAWS | $ 90,170 | $ 97,962 |
| **Grand Total,** COMMISSION ON UNIFORM STATE LAWS | $ 90,170 | $ 97,962 |

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Commission on Uniform State Laws may be expended for payment of the contribution by the State of Texas to the National Conference of Commissioners on Uniform State Laws and for payment of other necessary expenses of the commission in carrying out provisions of Chapter 415, Acts, Fifty-second Legislature, Regular Session, 1951, as amended by Chapter 735, Acts, Sixty-fifth Legislature, Regular Session, 1977, including the printing of the commission's report and travel expenses of members of the commission to attend annual meeting of the National Conference of Commissioner's on Uniform State Laws and travel to the state capitol on commission business.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 in the general appropriations made for the Commission on Uniform State Laws are hereby appropriated to the Commission on Uniform State Laws for the same purposes for the biennium beginning September 1, 2003.

   Any unexpended balances in the appropriations of the Commission on Uniform State Laws as of August 31, 2004 are hereby appropriated to the Commission on Uniform State Laws for the fiscal year beginning September 1, 2004.

## STATE AUDITOR'S OFFICE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** STATE AUDITOR | | |
| **A.1.1. Strategy:** STATE AUDITOR | $ 13,428,086 | $ 13,380,899 |
| **Grand Total,** STATE AUDITOR'S OFFICE | $ 13,428,086 | $ 13,380,899 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 11,628,086 | $ 11,580,899 |
| Appropriated Receipts | 1,800,000 | 1,800,000 |
| **Total, Method of Financing** | $ 13,428,086 | $ 13,380,899 |

1. **Legislative Audit Committee Direction.** The sums appropriated for the State Auditor's Office are to be expended under the direction and subject to the control of the Legislative Audit Committee in furtherance of the functions assigned by statute to the department.

2. **Fund Transfers for Reimbursement of Services.** In order that the General Revenue Fund may be reimbursed for the expenses of services performed for state agencies, departments, commissions, boards or divisions supported from funds other than the General Revenue Fund, it is hereby provided that the State Auditor may request the Comptroller to make transfers from unappropriated balances of such other funds to the General Revenue Fund. It is further provided that transfers may be requested from federal grant funds on deposit within special appropriations maintained by the state agencies, departments, commissions, boards or divisions in the General Revenue Fund. The amounts so requested for all transfers are to be based on actual costs of such services, and transfer of the requested amounts shall be made by the Comptroller with the approval of the Legislative Audit Committee.

   Where work is performed for state agencies, departments, commissions, boards or divisions that do not carry their funds in the State Treasury, it is hereby provided that reimbursement shall be made out of such funds to the General Revenue Fund for actual cost of such work, and billings therefor shall be made by the State Auditor with the approval of the Legislative Audit Committee.

3. **Appropriation of Reimbursements for Audit Activities.** Reimbursements received for work performed in fulfillment of federal audit requirements are hereby appropriated to the State Auditor's Office.

   Reimbursements for costs incurred for work performed in auditing or oversight type reviews, as directed by the Legislature, of entities other than those defined as state departments and institutions of higher education, are hereby appropriated to the State Auditor's Office. (Examples of this type of work include reviews of river authorities, special districts, regional or metropolitan transit authorities, or other political subdivisions created by acts of the Legislature.)

4. **Unexpended Balances.** Any unexpended balance as of August 31, 2003, in amounts previously appropriated to the State Auditor from the General Revenue Fund is hereby appropriated to the State Auditor for the same purposes for the biennium beginning September 1, 2003.

   Any unexpended balance remaining in the appropriations of the State Auditor as of August 31, 2004, is hereby appropriated to the State Auditor for the same purposes for the fiscal year beginning September 1, 2004.

5. **Notification of State Auditor Reports.** The State Auditor shall provide copies of audit reports to the respective affected agencies and to the Legislative Audit Committee prior to public release of any audit or audit information.

6. **River Authority Audits.** Out of funds appropriated above, the State Auditor's Office shall conduct an audit of the Brazos River Authority and the Lower Colorado River Authority during the 2004-05 biennium. The audit shall include an analysis of each authority's executive compensation and contracts for employment.

## LEGISLATIVE REFERENCE LIBRARY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** LEGISLATIVE REFERENCE LIBRARY | | |
| **A.1.1. Strategy:** LEGISLATIVE REFERENCE LIBRARY | $ 1,132,553 | $ 1,238,398 |
| **Grand Total,** LEGISLATIVE REFERENCE LIBRARY | $ 1,132,553 | $ 1,238,398 |
| **Method of Financing:** | | |
| General Revenue Fund | $ 1,114,553 | $ 1,220,398 |
| Appropriated Receipts | 13,000 | 13,000 |
| Interagency Contracts | 5,000 | 5,000 |
| **Total, Method of Financing** | $ 1,132,553 | $ 1,238,398 |

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Reference Library may be expended for library administration and services, for salaries and wages, travel, consumable supplies and materials, current and recurring operating expenses, capital outlay, books and periodicals, and other necessary expenses to be expended under the direction of the Legislative Library Board.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2003, in the general appropriations made to the Legislative Reference Library are hereby appropriated for the biennium beginning September 1, 2003.

   Any unexpended balances as of August 31, 2004, in the appropriations made hereinabove to the Legislative Reference Library are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

## SPECIAL PROVISIONS RELATING TO THE LEGISLATURE

Sec. 2. (a) A provision of the General Provisions of this Act that restricts or limits the use or transfer of appropriated funds, or that imposes a duty or places a limitation or condition precedent on a state agency, applies to entities and appropriations under this Article only to the extent that the provision by its terms specifically and expressly applies to those entities or appropriations. A general reference to "funds appropriated by this Act" or similar words is not specific and express application for purposes of this section.

(b) Amounts appropriated under this Article may be transferred among entities covered by this Article in accordance with Chapter 326, Government Code.

Sec. 3 **Authorization to Spend Unexpended Balances.** Notwithstanding any other provision contained herein, a legislative agency may only spend prior year balances with the approval of its respective governing board.

## RETIREMENT AND GROUP INSURANCE

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** EMPLOYEES RETIREMENT SYSTEM | | |
| **A.1.1. Strategy:** RETIREMENT CONTRIBUTIONS<br>Provide an actuarially sound level of funding as defined by state law. Estimated. | $ 4,922,592 | $ 4,557,501 |
| **A.1.2. Strategy:** GROUP INSURANCE<br>Provide a basic health care and life insurance program for general state employees. Estimated. | $ 12,703,295 | $ 12,872,884 |
| **Total, Goal A:** EMPLOYEES RETIREMENT SYSTEM | $ 17,625,887 | $ 17,430,385 |
| **Grand Total,** RETIREMENT AND GROUP INSURANCE | $ 17,625,887 | $ 17,430,385 |

## SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **Out of the General Revenue Fund:** | | |
| **A. Goal:** SOCIAL SECURITY/BENEFIT REPLACEMENT<br>To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay. | | |
| **A.1.1. Strategy:** STATE MATCH – EMPLOYER<br>Provide an employer match for Social Security contributions. Estimated. | $ 6,111,310 | $ 6,159,483 |
| **A.1.2. Strategy:** BENEFIT REPLACEMENT PAY<br>Provide Benefit Replacement Pay to eligible employees. Estimated. | $ 742,395 | $ 704,533 |
| **Total, Goal A:** SOCIAL SECURITY/BENEFIT REPLACEMENT | $ 6,853,705 | $ 6,864,016 |
| **Grand Total,** SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY | $ 6,853,705 | $ 6,864,016 |

## RECAPITULATION - ARTICLE X
## THE LEGISLATURE
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Senate | $ 27,428,666 | $ 29,502,662 |
| House of Representatives | 29,099,863 | 33,771,815 |
| Legislative Budget Board | 3,388,477 | 3,685,846 |
| Legislative Council | 34,281,226 | 34,601,633 |
| Commission on Uniform State Laws | 90,170 | 97,962 |
| State Auditor's Office | 11,628,086 | 11,580,899 |
| Legislative Reference Library | 1,114,553 | 1,220,398 |
| Subtotal, Legislature | $ 107,031,041 | $ 114,461,215 |
| Retirement and Group Insurance | 17,625,887 | 17,430,385 |
| Social Security and Benefit Replacement Pay | 6,853,705 | 6,864,016 |
| Subtotal, | $ 24,479,592 | $ 24,294,401 |
| TOTAL, ARTICLE X - THE LEGISLATURE | $ 131,510,633 | $ 138,755,616 |

## RECAPITULATION - ARTICLE X
## THE LEGISLATURE
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| House of Representatives | $ 275,000 | $ 290,000 |
| State Auditor's Office | 1,800,000 | 1,800,000 |
| Legislative Reference Library | 18,000 | 18,000 |
| Subtotal, Legislature | $ 2,093,000 | $ 2,108,000 |
| Less Interagency Contracts | $ 5,000 | $ 5,000 |
| TOTAL, ARTICLE X - THE LEGISLATURE | $ 2,088,000 | $ 2,103,000 |

## RECAPITULATION - ARTICLE X
## THE LEGISLATURE
## (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Senate | $ 27,428,666 | $ 29,502,662 |
| House of Representatives | 29,374,863 | 34,061,815 |
| Legislative Budget Board | 3,388,477 | 3,685,846 |
| Legislative Council | 34,281,226 | 34,601,633 |
| Commission on Uniform State Laws | 90,170 | 97,962 |
| State Auditor's Office | 13,428,086 | 13,380,899 |
| Legislative Reference Library | 1,132,553 | 1,238,398 |
| Subtotal, Legislature | $ 109,124,041 | $ 116,569,215 |
| Retirement and Group Insurance | 17,625,887 | 17,430,385 |
| Social Security and Benefit Replacement Pay | 6,853,705 | 6,864,016 |
| Subtotal, | $ 24,479,592 | $ 24,294,401 |
| Less Interagency Contracts | $ 5,000 | $ 5,000 |
| TOTAL, ARTICLE X - THE LEGISLATURE | $ 133,598,633 | $ 140,858,616 |

# ARTICLE XII

## TOBACCO SETTLEMENT RECEIPTS

From receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release and other funding sources, and pursuant to House Bills 1676 and 1945, Seventy-sixth Legislature, and Senate Bill 126, Seventy-seventh Legislature, the following appropriations for the 2004–05 biennium are hereby made:

## TOBACCO SETTLEMENT RECEIPTS

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| **A. Goal:** TOBACCO SETTLEMENT RECEIPTS<br>Appropriations Made from Tobacco Settlement Receipts. | | |
| **A.1.1. Strategy:** CHILDREN'S HEALTH INSURANCE/HHSC<br>Health & Human Services Commission for the Children's Health Insurance Program (includes SKIP). | $ 146,465,725 | $ 123,278,881 & UB |
| **A.1.2. Strategy:** HHSC ACUTE CARE MEDICAID<br>Health and Human Services Commission Acute Care Medicaid. | $ 353,527,275 | $ 372,374,119 |
| **Total, Goal A:** TOBACCO SETTLEMENT RECEIPTS | $ 499,993,000 | $ 495,653,000 |
| **B. Goal:** PERMANENT FUNDS<br>Appropriations made from Permanent Funds Created by HB 1676 and HB 1945, 76th Legislature, and SB 126, 77th Legislature. | | |
| **B.1.1. Strategy:** MINORITY HEALTH RESEARCH/EDUCATION<br>Out of the Permanent Fund for Minority Health Research and Education to Texas Higher Education Coordinating Board. Estimated. | $ 1,125,000 | $ 1,125,000 |
| **B.1.2. Strategy:** TOBACCO EDUCATION AND ENFORCEMENT<br>Out of the Permanent Fund for Tobacco Education and Enforcement to the Texas Department of Health. Estimated. | $ 9,000,000 | $ 9,000,000 |
| **B.1.3. Strategy:** CHILDREN & PUBLIC HEALTH<br>Out of the Permanent Fund for Children and Public Health to the Texas Department of Health. Estimated | $ 4,500,000 | $ 4,500,000 |
| **B.1.4. Strategy:** EMS AND TRAUMA CARE<br>Out of the Permanent Fund for Emergency Medical Services and Trauma Care to the Texas Department of Health. Estimated | $ 4,500,000 | $ 4,500,000 |
| **B.1.5. Strategy:** RURAL HEALTH FACILITY CAP IMPRVMNT<br>Out of the Permanent Fund for Rural Health Facility Capital Improvement to the Office of Rural Community Affairs. Estimated. | $ 2,250,000 | $ 2,250,000 |
| **B.1.6. Strategy:** SMALL URBAN HOSPITALS<br>Out of the Community Hospital Capital Improvement Fund to the Texas Department of Health. Estimated | $ 1,125,000 | $ 1,125,000 |

## TOBACCO SETTLEMENT RECEIPTS
(Continued)

| | | | | |
|---|---|---|---|---|
| **B.1.7. Strategy:** HLTH-RELATED HIGHER ED INSTITUTIONS<br>Out of the Permanent Health Fund for Higher Education to the Health-related Institutions of Higher Education listed as recipients of the fund. Estimated. | $ | 15,750,000 | $ | 15,750,000 |
| **B.1.8. Strategy:** NURSING, ALLIED HEALTH FUND<br>Out of the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-related Programs to the Texas Higher Education Coordinating Board. Estimated. | $ | 2,025,000 | $ | 2,025,000 |
| **B.1.9. Strategy:** RURAL HEALTHCARE INVESTMENT<br>Out of the Permanent Endowment Fund for the Rural Communities Healthcare Investment Program to the Office of Rural Community Affairs. Estimated. | $ | 112,500 | $ | 112,500 |
| **Total, Goal B:** PERMANENT FUNDS | $ | 40,387,500 | $ | 40,387,500 |
| **C. Goal:** ENDOWMENT FUNDS-HIGHER EDUCATION<br>Appropriations to the Following Institutions of Higher Education from Endowment Funds Established for the Following Institutions of Higher Education. | | | | |
| **C.1.1. Strategy:** UTHSC - SAN ANTONIO<br>The University of Texas Health Science Center at San Antonio. Estimated | $ | 9,000,000 | $ | 9,000,000 |
| **C.1.2. Strategy:** UTMDA CANCER CENTER<br>The University of Texas M.D. Anderson Cancer Center. Estimated | $ | 4,500,000 | $ | 4,500,000 |
| **C.1.3. Strategy:** UTSWMC - DALLAS<br>The University of Texas Southwestern Medical Center at Dallas. Estimated | $ | 2,250,000 | $ | 2,250,000 |
| **C.1.4. Strategy:** UT MED BRANCH - GALVESTON<br>The University of Texas Medical Branch at Galveston. Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.5. Strategy:** UTHSC - HOUSTON<br>The University of Texas Health Science Center at Houston. Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.6. Strategy:** UTHC - TYLER<br>The University of Texas Health Center at Tyler. Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.7. Strategy:** UT - EL PASO<br>The University of Texas at El Paso. Estimated. | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.8. Strategy:** TAMUS HEALTH SCIENCE CENTER<br>Texas A&M University System Health Science Center. Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.9. Strategy:** UNT HEALTH SCIENCE CENTER-FT WORTH<br>The University of North Texas Health Science Center at Fort Worth. Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.10. Strategy:** TTUHSC (EL PASO)<br>Texas Tech University Health Sciences Center (El Paso). Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.11. Strategy:** TTUHSC - (OTHER THAN EL PASO)<br>Texas Tech University Health Sciences Center (Other Than El Paso). Estimated | $ | 1,125,000 | $ | 1,125,000 |
| **C.1.12. Strategy:** BAYLOR COLLEGE OF MEDICINE<br>Texas Higher Education Coordinating Board for the Baylor College of Medicine. Estimated | $ | 1,125,000 | $ | 1,125,000 |

## TOBACCO SETTLEMENT RECEIPTS
(Continued)

| | | |
|---|---|---|
| **C.1.13. Strategy:** LOWER RIO GRANDE VAL RAHC<br>Out of the Permanent Endowment Fund Created for the Lower Rio Grande Valley Regional Academic Health Center Endowment to the Lower Rio Grande Valley Regional Academic Health Center. Estimated | $ 900,000 | $ 900,000 |
| **Total, Goal C:** ENDOWMENT FUNDS-HIGHER EDUCATION | $ 26,775,000 | $ 26,775,000 |
| **Grand Total,** TOBACCO SETTLEMENT RECEIPTS | $ 567,155,500 | $ 562,815,500 |
| **Method of Financing:** | | |
| General Revenue Fund | | |
| Tobacco Settlement Receipts | $ 16,780,669 | $ 17,485,000 |
| Tobacco Settlement Receipts Match for Medicaid | 353,527,275 | 372,374,119 |
| Tobacco Settlement Receipts Match for CHIP | 129,685,056 | 105,793,881 |
| Subtotal, General Revenue Fund | $ 499,993,000 | $ 495,653,000 |
| General Revenue Fund - Dedicated | | |
| Permanent Fund Tobacco Education & Enforcement Account No. 5044 | 9,000,000 | 9,000,000 |
| Permanent Fund Children & Public Health Account No. 5045 | 4,500,000 | 4,500,000 |
| Permanent Fund for EMS & Trauma Care Account No. 5046 | 4,500,000 | 4,500,000 |
| Permanent Fund Rural Health Facility Capital Improvement Account No. 5047 | 2,250,000 | 2,250,000 |
| Community Hospital Capital Improvement Account No. 5048 | 1,125,000 | 1,125,000 |
| Subtotal, General Revenue Fund - Dedicated | $ 21,375,000 | $ 21,375,000 |
| Other Funds | | |
| Permanent Endowment Fund for Rural Communities Health Care Investment Program | 112,500 | 112,500 |
| Permanent Health Fund for Higher Education | 15,750,000 | 15,750,000 |
| Permanent Endowment Fund, UTHSC San Antonio | 9,000,000 | 9,000,000 |
| Permanent Endowment Fund, UT MD Anderson Cancer Center | 4,500,000 | 4,500,000 |
| Permanent Endowment Fund, UT Southwestern Medical Center at Dallas | 2,250,000 | 2,250,000 |
| Permanent Endowment Fund, UT Medical Branch at Galveston | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, UTHSC Houston | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, UTHSC Tyler | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, UT El Paso | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, Texas A&M University HSC | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, UNTHSC at Fort Worth | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, Texas Tech HSC El Paso | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, Texas Tech HSC, Other | 1,125,000 | 1,125,000 |
| Permanent Endowment Fund, UT Regional Academic Health Center | 900,000 | 900,000 |
| Permanent Endowment Fund for the Baylor College of Medicine | 1,125,000 | 1,125,000 |
| Permanent Fund for the Higher Education Nursing, Allied Health and Other Health Related Programs | 2,025,000 | 2,025,000 |
| Permanent Fund for Minority Health Research and Education | 1,125,000 | 1,125,000 |
| Subtotal, Other Funds | $ 45,787,500 | $ 45,787,500 |
| **Total, Method of Financing** | $ 567,155,500 | $ 562,815,500 |

## TOBACCO SETTLEMENT RECEIPTS
(Continued)

| | | |
|---|---|---|
| **Object-of-Expense Informational Listing:** | | |
| Salaries and Wages | $ 7,476,455 | $ 7,476,455 |
| Other Personnel Costs | 3,348,068 | 3,348,068 |
| Faculty Salaries (Higher Education Only) | 9,199,148 | 9,199,148 |
| Professional Salaries - Faculty Equivalent (Higher Education Only) | 73,312 | 73,312 |
| Operating Costs | 17,344,094 | 17,400,948 |
| Other Operating Expense | 5,125,000 | 5,125,000 |
| Client Services | 1,000 | 1,000 |
| Client Services | 501,993,000 | 497,653,000 |
| Grants | 18,637,500 | 18,637,500 |
| Capital Expenditures | 3,957,923 | 3,901,069 |
| **Total, Object-of-Expense Informational Listing** | $ 567,155,500 | $ 562,815,500 |

1. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bills 1676 and 1945, Seventy-sixth Legislature and by Senate Bill 126, Seventy-seventh Legislature, and does not make appropriations.

| | |
|---|---|
| Permanent Health Fund for Higher Education | $ 350,000,000 |
| Permanent Fund for Children and Public Health | $ 100,000,000 |
| Permanent Fund For Tobacco Education and Enforcement | $ 200,000,000 |
| The University of Texas Health Science Center at San Antonio Endowment | $ 200,000,000 |
| Permanent Fund for Emergency Medical Services and Trauma Care | $ 100,000,000 |
| Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure) | $ 50,000,000 |
| The University of Texas M.D. Anderson Cancer Center Endowment | $ 100,000,000 |
| Texas Tech University Health Sciences Center Endowment (El Paso) | $ 25,000,000 |
| The University of Texas Southwestern Medical Center at Dallas Endowment | $ 50,000,000 |
| Texas Tech University Health Sciences Center Endowment (Other Than El Paso) | $ 25,000,000 |
| The University of Texas Medical Branch at Galveston Endowment | $ 25,000,000 |
| The University of Texas Health Science Center at Houston Endowment | $ 25,000,000 |

## TOBACCO SETTLEMENT RECEIPTS
(Continued)

| | | |
|---|---|---|
| The University of Texas Health Center at Tyler Endowment | $ | 25,000,000 |
| Texas A&M University System Health Science Center Endowment | $ | 25,000,000 |
| University of North Texas Health Science Center at Fort Worth Endowment | $ | 25,000,000 |
| Lower Rio Grande Valley Regional Academic Health Center Endowment | $ | 20,000,000 |
| The University of Texas at El Paso Endowment | $ | 25,000,000 |
| Baylor College of Medicine | $ | 25,000,000 |
| Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs | $ | 45,000,000 |
| Permanent Fund for Minority Health Research and Education | $ | 25,000,000 |
| Community Hospital Capital Improvement Fund (Small Urban Hospitals) | $ | 25,000,000 |
| Permanent Endowment Fund for the Rural Communities Healthcare Investment Program | $ | 2,500,000 |

2. **Estimated Appropriation and Unexpended Balance.** The estimated amounts appropriated above out of the Permanent Fund for Minority Health Research and Education, the Permanent Health Fund for Higher Education, the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-related Programs, the Permanent Endowment Fund for Rural Communities Healthcare Investment Program, and the Permanent Funds and Endowments for Institutions of Higher Education in Goal C, are out of the amounts available for distribution or investment returns of the funds. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the specified agency or institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference. All balances of appropriated funds, except for any General Revenue of agencies and institutions named in this article at the close of the fiscal year ending August 31, 2003, and the income to said funds during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2005.

3. **Estimated Appropriation and Unexpended Balance.** The estimated amounts appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, the Permanent Fund for Rural Health Facility Capital Improvement, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals) are out of the available earnings of the funds. Available earnings in excess of the amounts estimated above are appropriated to the specified recipient of the available earnings of the fund in applicable law. In the event that amounts available for distribution or investment returns are less than the

amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2005.

4. **Appropriation for State Employee Children Health Insurance Program (SKIP).**
   a. Pursuant to Article 3.50-2, § 14A, Insurance Code, relating to the state's contribution for dependent children of certain state employees, a portion of funds appropriated above for the Children's Health Insurance Program shall be transferred to the Employees Retirement System to implement the provisions of that Section. Such funds are only to be used for General Revenue (GR) costs of the program, in accordance with § 6.11, Article IX of this Act, Salaries and Benefits to be Proportional by Fund. Non-GR costs may only be paid from funds appropriated elsewhere in this Act for group insurance.

   b. As provided by the Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2 Insurance Code) the Health and Human Services Commission shall designate the Department of Human Services or other agency to perform eligibility screening for SKIP.

   c. The Health and Human Services Commission and the Employees Retirement System shall cooperate regarding eligibility screening for SKIP, as provided under Article 3.50-2 § 14A Insurance Code.

5. **Allocation of Funds for Children's Health Insurance Program.**
   a. The funds appropriated above for the Children's Health Insurance Program (CHIP) are appropriated to the Health and Human Services Commission for CHIP, Immigrant Health Insurance, CHIP Vendor Drug Program, and State Employee Children Health Insurance (SKIP). Amounts for the State Employee Children Health Insurance (SKIP) may be allocated to the Employee Retirement System. It is the intent of the Legislature that appropriations and accountability for the above programs reside with the Health and Human Services Commission.

   b. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as of August 31, 2003, from the appropriations for the Children's Health Insurance Program made in Strategy A.1.1, Article XII, Senate Bill 1, Seventy-seventh Legislature (estimated to be $0). Balances appropriated may only be expended in the manner provided for by this section.

   c. It is the intent of the Legislature that appropriations made above in Strategy A.1.1, Children's Health Insurance Program are from tobacco settlement receipts paid to the State pursuant to the Comprehensive Tobacco Settlement and Release. In the event that the state has not received a tobacco settlement payment for fiscal year 2004 and fiscal year 2005 by September 1 of each year of the biennium, the Comptroller of Public Accounts is hereby authorized to use general revenue funds as needed for program expenditures for cash flow purposes between the beginning of the fiscal year and the receipt by the state of the tobacco settlement payment for the fiscal year. Upon receipt of the tobacco settlement payment, the general revenue fund shall be reimbursed with tobacco settlement receipts for all expenditures made pursuant to this provision.

6. **Administration of Public Health Funds.** Funds appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, the Permanent Fund for Rural Health Facility Capital Improvement, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals) may be transferred by an agency to appropriate strategies within the agency's bill pattern for the purpose of implementing House Bill 1676, Seventy-sixth Legislature, 1999. In no event may the administrative costs to implement the provisions of the bill exceed three percent. Grants and program costs must compose at least 97 percent of the

expenditures to implement the provisions of the bill. Out of the appropriation from the Permanent Fund for Tobacco Education and Enforcement, the Texas Department of Health may reimburse members of an advisory committee related to the Permanent Fund for Tobacco Education and Enforcement if the department appoints an advisory committee.

7. **Limitations.** Appropriations made in this Article are governed by the limitations and reporting requirements otherwise provided by this Act and other law.

8. **Limitation on Use of Funds.**
   a. State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.

   b. Authorized managers of permanent funds and endowments whose earnings are appropriated in Goal B and Goal C of this article shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.

   c. Agencies appropriated tobacco settlement receipts in Goal A of this Article shall only expend funds for direct client services.

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

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

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

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

10. **Transfer Appropriations.** Agencies appropriated funds in Goal A, Tobacco Settlement Receipts, of this Article may transfer appropriations to appropriate strategies in the agency's bill pattern for expenditure purposes.

## TOBACCO SETTLEMENT RECEIPTS
(Continued)

11. **Reporting by Texas Higher Education Coordinating Board.** The Texas Higher Education Coordinating Board shall include in its Legislative Appropriations Request for the 2006–07 biennium information on actual expenditures and budgeted expenditures for the Baylor College of Medicine, which receives funding pursuant to strategies B.1.7. and C.1.12 above.

## RECAPITULATION - ARTICLE XII
## TOBACCO SETTLEMENT RECEIPTS
## (General Revenue)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Tobacco Settlement Receipts | $ 499,993,000 | $ 495,653,000 |
| TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS | $ 499,993,000 | $ 495,653,000 |

## RECAPITULATION - ARTICLE XII
## TOBACCO SETTLEMENT RECEIPTS
## (General Revenue - Dedicated)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Tobacco Settlement Receipts | $ 21,375,000 | $ 21,375,000 |
| TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS | $ 21,375,000 | $ 21,375,000 |

## RECAPITULATION - ARTICLE XII
## TOBACCO SETTLEMENT RECEIPTS
## (Other Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Tobacco Settlement Receipts | $ 45,787,500 | $ 45,787,500 |
| Less Interagency Contracts | $ 0 | $ 0 |
| TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS | $ 45,787,500 | $ 45,787,500 |

## RECAPITULATION - ARTICLE XII
## TOBACCO SETTLEMENT RECEIPTS
## (All Funds)

| | For the Years Ending August 31, 2004 | For the Years Ending August 31, 2005 |
|---|---|---|
| Tobacco Settlement Receipts | $ 567,155,500 | $ 562,815,500 |
| Less Interagency Contracts | $ 0 | $ 0 |
| TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS | $ 567,155,500 | $ 562,815,500 |

## ARTICLE XIII. SAVINGS CLAUSE

If any section, sentence, clause or part of this Act shall for any reason be held to be invalid, such decision shall not affect the remaining portions of this Act; and it is hereby declared to be the intention of the Legislature to have passed each sentence, section, clause, or part thereof irrespective of the fact that any other sentence, section, clause or part thereof may be declared invalid.

## ARTICLE XIV. EMERGENCY CLAUSE

The importance of the legislation to the people of the State of Texas and the crowded condition of the calendars in both Houses of the Legislature create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three separate days in each House be suspended, and said Rule is hereby suspended; and this Act shall take effect and be in force from and after its passage, and it is so enacted.