

LEGISLATIVE BUDGET BOARD

Summary of Conference Committee Report on House Bill 1

for the 2012–13 Biennium

May 2011

Submitted to the 82nd Texas Legislature

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INTRODUCTION

The Conference Committee Report on House Bill 1 recommended baseline appropriations for state government operations for the 2012–13 biennium total \$172.3 billion from all fund sources. The recommendations provide

a \$15.2 billion, or 8.1 percent, decrease from the 2010–11 biennial level.

General Revenue Funds, including funds dedicated within the General Revenue Fund, total \$86.9 billion for the 2012–13 biennium,

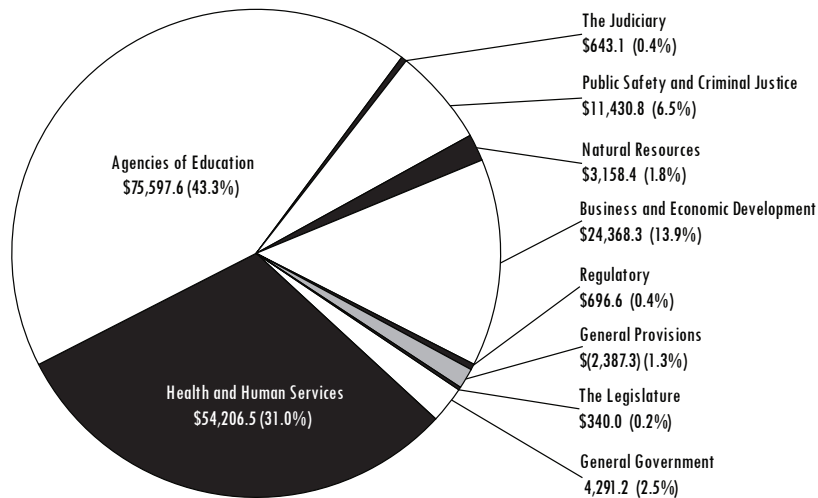
a decrease of \$1.6 billion, or 1.9 percent, from the anticipated 2010–11 biennial spending level. Figures 1 and 2 show the 2012–13 recommendations by government function.

2012–13 BIENNIAL RECOMMENDATIONS

**FIGURE 1
ALL FUNDS**

IN MILLIONS

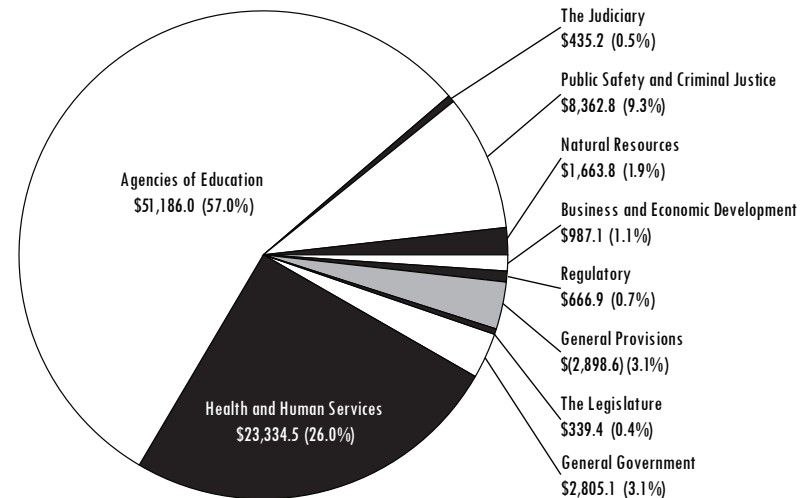
TOTAL = \$172,345.1



**FIGURE 2
GENERAL REVENUE FUNDS AND
GENERAL REVENUE-DEDICATED FUNDS**

IN MILLIONS

TOTAL = \$86,882.2



NOTES: Excludes Interagency Contracts. Percentage values contained in Figures 1 and 2 are calculated exclusive of the reductions made in General Provisions.

HIGHLIGHTS OF THE RECOMMENDATIONS

The Conference Committee Report on House Bill 1 totals \$172.3 billion in All Funds, a \$15.2 billion decrease from the 2010–11 All Funds biennial base. Tables 1 to 6 provide function-level detail regarding the level of funding contained in the Conference Committee Report on House Bill 1 for each method of finance (i.e., All Funds, General Revenue Funds, General Revenue–Dedicated Funds, Federal Funds, and Other Funds).

Tables 1 to 6 compare 2012–13 biennial funding amounts to the 2010–11 biennial base. The 2010–11 base is defined as fiscal year 2010 estimated expenditures for state agencies and institutions of higher education and fiscal year 2011 budgeted expenditures. The All Funds 2010–11 biennial base totals \$187.5 billion, an increase of \$5.3 billion over 2010–11 appropriated amounts. The 2010–11 General Revenue Funds base is \$82.1 billion.

As depicted in Table 1, the Conference Committee Report on House Bill 1 All Funds recommendations represent a \$15.2 billion, or 8.1 percent reduction, from the 2010–11 biennial base.

As depicted in Table 2, the Conference Committee Report on House Bill 1 General Revenue Funds recommendations represent a \$1.6 billion, or 2.0 percent reduction, from the 2010–11 biennial base.

Table 7 shows the \$9.9 billion in federal American Recovery and Investment Act (ARRA) funds that were used to offset state costs (i.e., General Revenue Funds) during the 2010–11 biennium, primarily in Medicaid and the Foundation School Program. By including ARRA funds in the 2010–11

General Revenue Funds base, the estimated/budgeted 2010–11 biennial General Revenue Funds plus ARRA base totals \$90.3 billion. Consequently, the Conference Committee Report on House Bill 1 recommendations for General Revenue Funds for the 2012–13 biennium are \$9.9 billion (10.9 percent) less than this adjusted 2010–11 base. Tables 8 and 9 provide a comparison of House, Senate, and Conference Committee recommendations.

HEALTH AND HUMAN SERVICES

- **Medicaid.** \$40.6 billion in All Funds (\$17.1 billion in General Revenue Funds and General Revenue–Dedicated Funds), is provided for the Texas Medicaid program. Medicaid funding levels assume the expansion of the managed care model for the provision of services, anticipated to result in a net savings of \$385.7 million in General Revenue Funds and increases in insurance premium tax revenue collections to the state. Funding levels continue provider rate reductions implemented during the 2010–11 biennium and include certain additional provider rate reductions and cost containment initiatives totaling \$1.8 billion in General Revenue Funds. State-supported living centers and Medicaid waiver slots at Department of Aging and Disability Services are fully funded. Funding levels in fiscal year 2013 assume a supplemental need for all other Medicaid programs estimated to be \$4.4 billion in General Revenue Funds. The Health and Human Services Commission is directed to pursue federal flexibility in the Medicaid benefits package, estimated to result in a savings of \$0.7 billion in General Revenue Funds. If these savings

and other cost containment strategies are fully realized, the supplemental need could be reduced.

- **Child Protective Services.** Appropriations for child protective services total \$2,320.8 million in All Funds (\$1,079.1 million in General Revenue Funds). The appropriations fully fund foster care, adoption subsidy, and permanency care assistance caseloads using 2010–11 rates. They also maintain 2010–11 funding levels for the relative and other designated caregiver program (Kinship Care).
- **Mental Health Services.** Appropriations in mental health services strategies at the Department of State Health Services total \$1,940.8 million in All Funds (\$1,486.0 million in General Revenue Funds). The appropriations maintain the 2010–11 service levels for community mental health programs, including services for adults and children, crisis services, and the NorthSTAR Behavioral Health Waiver program. This includes a reduction of \$15.0 million in General Revenue Funds for cost savings initiatives to maintain the fiscal year 2011 bed capacity at the state mental health hospitals. Funding maintains community mental health hospital beds that were added to the system during the 2010–11 biennium.
- **Early Childhood Intervention.** \$326.1 million in All Funds (\$66.6 million in General Revenue Funds) is provided for the Early Childhood Intervention (ECI) program. Funding includes \$19.3 million in Federal Funds to serve an additional average monthly number of 1,732 children per fiscal year. A total average monthly

HIGHLIGHTS OF THE RECOMMENDATIONS (CONTINUED)

number of 27,784 children in each year of the biennium are anticipated to receive ECI services.

PUBLIC EDUCATION

- **Foundation School Program.** In Article III, \$38.6 billion in All Funds (\$32.3 billion in General Revenue Funds and General Revenue–Dedicated Funds) is provided for the Foundation School Program (FSP). This amount is reduced in Article IX by \$0.8 billion due to revised district property value projections and by \$2.3 billion for a deferral of the August FSP payment. In total, FSP funding for the 2012–13 biennium represents a decrease from the 2010–11 biennium of \$1.8 billion in All Funds and an increase of \$1.6 billion in General Revenue Funds. However, the deferred August 2013 FSP payment is state funding to districts which is not permanently reduced but rather delayed a few days and into fiscal year 2014.
- Total appropriations for the Foundation School Program (FSP) are estimated to be \$4.0 billion in General Revenue Funds below the amount required to fund the school finance formulas under the Texas Education Code. The funding level assumes passage of legislation that adjusts school district and charter school payments to the level of available appropriations. This represents an estimated 5.6 percent reduction in state and local entitlements compared to current law.
- FSP appropriations provide full funding for the state’s current law obligations under the Existing Debt Allotment and the Instructional Facilities Allotment.

- **Other Public Education.** General Revenue Funds for public education programs outside the FSP are reduced by \$1,403.2 million, or 52.8 percent compared to the 2010–11 biennium. The funding includes \$608.1 million in General Revenue Funds for instructional materials. Reduced funding levels are provided for selected major grant programs, including the District Awards for Teacher Excellence educator incentive pay grants at \$40.0 million and the Student Success Initiative at \$19.0 million. No funding is directed for several programs, the largest of which is the Pre-kindergarten Early Start grant program.

HIGHER EDUCATION

- Higher Education is supported by \$21.8 billion in All Funds (\$14.4 billion in General Revenue Funds and General Revenue–Dedicated Funds).
- **Formula.** This amount is a reduction compared to the 2010–11 biennium of \$180 million in formula funding, the result of a 5 percent reduction in the General Academic institutions, a 10 percent reduction for the Health-related Institutions and no reduction to the community college formulas. Funding for enrollment growth at the various types of institutions is not provided.
- **Special Items.** Special item funding for higher education has also been reduced by approximately 25 percent for all types of institutions resulting in a decrease of \$215.2 million.
- **Hold Harmless.** No General Academic institution experiences a reduction of more than 15 percent in total General Revenue

Funds (excluding Tuition Revenue Debt service).

- **Other Higher Education.** elimination of one-time funding (mostly hurricane-related) also results in a loss of \$116.3 million. Additional reductions include: \$11.5 million for Research Development Fund; \$51.1 million for hospital and dental clinic operations; \$32.5 million for assistance to volunteer fire departments; and \$227.0 million one-time funding from ARRA.
- **Higher Education Coordination Board.** In the Higher Education Coordination Board, General Revenue Funds and General Revenue–Dedicated Funds are reduced a total of \$332.2 million. The student financial aid strategy is reduced by a total of \$150.4 million. College Work Study and Texas Educational Opportunity Grants are not reduced from 2010–11 levels while the following programs are: TEXAS Grants, 10 percent; Texas Equalization Grants, 20 percent; Top 10 Percent Scholarship, 23 percent; and B-On-time (40 percent in General Revenue Funds and 23 percent in General Revenue–Dedicated Funds). Additional reductions include: \$17.9 million for the College Readiness strategy; \$17.1 million for the Professional Nursing Shortage Reduction Program; \$15.1 million for the Advanced Research Program; \$14.6 million for the Family Residency Program; \$11.9 million for the Top 10 Percent Scholarship Program; \$11.9 million for the Texas Research Incentive Program, \$10.5 million for the Teach for Texas Loan Repayment Program, and \$17.7 million for the Physician Education Loan

HIGHLIGHTS OF THE RECOMMENDATIONS (CONTINUED)

Program. The remaining \$65.1 million in General Revenue Funds and General Revenue–Dedicated Funds decrease is tied to reductions or eliminations at other programs.

- Higher Education Group Insurance contributions are reduced \$99.3 million, mainly due to discounted premium contribution rates for higher education employees. 85 percent of ERS general state employee premium rates for higher education employees within the ERS system, 83 percent for University of Texas and Texas A&M University System employees and 42 percent of ERS rates for community college employees.

CRIMINAL JUSTICE

- \$4.9 billion in All Funds (\$4.8 billion in General Revenue Funds and General Revenue–Dedicated Funds) is provided for the incarceration of adult offenders in the Texas Department of Criminal Justice which includes housing, security, classification, food and necessities, health care, and treatment services. The bill includes a net decrease of \$5.5 million in General Revenue Funds, which includes reductions compared to the 2010–11 biennium of \$71.5 million for Correctional Managed Health Care services, \$7.8 million for Texas Correctional Industries, \$4.8 million for correctional support and other operations, \$1.5 million for academic and vocational programs, and \$0.5 million for treatment services; and increases of \$36.8 million for correctional security, \$16.1 million for contract prisons, private state jails, and residential parole facilities, \$15 million for contracted temporary capacity,

and \$12.7 million for substance abuse treatment.

BORDER SECURITY

- \$219.5 million in All Funds is provided for border security at the Department of Public Safety, the Trusteed Programs Within the Office of the Governor, and the Texas Parks and Wildlife Department. This includes funding for state and local security initiatives, border prosecutions, and patrol and investigation overtime. Funding is increased by \$108.5 million above 2010–11 biennial spending levels of \$111.0 million.

NATURAL RESOURCES

- All Funds recommendations for Natural Resources total \$3.2 billion for the 2012–13 biennium, which is a decrease of \$490.6 million, or 13.4 percent, from 2010–11 biennial spending levels of \$3.6 billion. The recommendations total \$1.7 billion in General Revenue Funds and General Revenue–Dedicated Funds, which is a decrease of \$506.1 million, or 23.3 percent, from 2010–11 biennial spending levels of \$2.2 billion.
- Funding for the Texas Emission Reduction Plan (TERP) is reduced by \$98.3 million, or 43 percent, in General Revenue–Dedicated Funds. Funding for the Low Income Vehicle Repair, Replacement and Retrofit Program is reduced by \$87.5 million, or 87.5 percent, in General Revenue–Dedicated Funds. Grants for the development and acquisition of new local parks at the Texas Parks and Wildlife Department are zero-funded, a reduction of \$46.7 million in All Funds including \$30 million in General Revenue Funds and General Revenue–Dedicated Funds. In addition, state

contributions for boll weevil eradication at the Texas Department of Agriculture and water quantity enhancement (brush control) project funding at the Soil and Water Conservation Board, are funded at approximately 50 percent of 2010–11 biennial levels.

- Biennial funding for the Animal Health Commission (TAHC) and the Texas Department of Agriculture (TDA) extends the use of fees, making funding for certain animal disease programs and all agriculture marketing programs subject to revenue generation, and expanding the use of fees to cover a greater share of existing TDA regulatory programs. Based on the increased reliance on fees, funding for 57.5 (52.0 existing and 5.5 new) FTE positions at TAHC and 368.3 FTE positions at TDA, and \$49.6 million (\$9.9 million at TAHC and \$39.7 million at TDA) in total funding would be subject to revenue generation.

BUSINESS AND ECONOMIC DEVELOPMENT

- All Funds recommendations for Business and Economic Development (excluding the Department of Transportation) total \$4.1 billion for the 2012–13 biennium, which is a decrease of \$2.7 billion, or 40.3 percent, from the 2010–11 biennium. For General Revenue Funds and General Revenue–Dedicated Funds, the recommendations total \$736.7 million, which is a decrease of \$173.4 million, or 19.1 percent, from the 2010–11 biennium. The decreases primarily include \$1.4 billion in Federal Funds from reduced federal allocations for multiple housing programs, workforce programs, and community development block grant

HIGHLIGHTS OF THE RECOMMENDATIONS (CONTINUED)

funds. Additional Federal Funds decreases include \$1.2 billion in Federal American Recovery and Reinvestment Funds that are no longer anticipated to be available for the Homeless Prevention Program, Tax Credit Assistance Program, Housing Tax Credit Exchange Program, Weatherization Program, the Community Services Block Grant, and workforce related programs. The remaining reductions primarily decreased funding for the Housing Trust Fund, Lottery and Bingo operations, the Skills Development Program, Employment and Community Services, and the elimination of funding for the Project Reintegration of Offenders program.

TRANSPORTATION

- \$19.8 billion in All Funds is provided for transportation planning and design, right-of-way acquisition, construction, maintenance, and bond debt service. The recommendations represent a \$3.9 billion increase in All Funds, which includes increases of \$3.3 billion in General Obligation bond proceeds, \$1.3 billion in State Highway Funds, \$632.5 million in Federal Funds from regular federal transportation apportionments, \$64.7 million in Federal Funds from Build America Bond interest payment subsidies, and \$191.8 million in General Revenue Funds offset by decreases of \$938.6 million in federal economic stimulus funds, \$278 million in Texas Mobility Funds, \$396.2 million in State Highway Fund Revenue Bond Proceeds, and \$7.8 million in Other Funds from Interagency Contracts and Appropriated Receipts.

- A total of \$4.1 billion in Proposition 12 (2007) General Obligation bond proceeds is provided for transportation planning and design, right-of-way acquisition, and contracts for highway improvement projects. This amount includes \$1.1 billion for the completion of highway planning and improvement projects initiated in the 2010–11 biennium and \$3 billion to finance planning, right-of-way acquisition, and new construction contracts related to congestion relief, statewide connectivity, bridges, rehabilitation, and safety projects. A total of \$256.5 million in All Funds is provided for debt service payments on these bonds in 2012–13.

REGULATORY

- All Funds recommendations for Regulatory (excluding the Public Utility Commission) total \$512.9 million for the 2012–13 biennium, which is a decrease of \$31 million, or 5.7 percent, from the 2010–11 biennium. For General Revenue Funds and General Revenue–Dedicated Funds, the recommendations total \$485.2 million, which is an increase of \$0.8 million, or 0.2 percent, from the 2010–11 biennium. The decrease in All Funds is due to reduced one-time funding from the Healthy Texas Small Employer Premium Stabilization Fund for the Healthy Texas Program. Since most regulatory agencies are funded with fee generated revenue pursuant to statutory requirement, in many cases the additional costs will be covered with increased fees.
- \$152.2 million in General Revenue–Dedicated Funds is provided for the Low Income Discount Program at the Public Utility Commission, which reflects a

decrease of \$67.4 million from the 2010–11 biennial spending levels. This would provide an estimated 10.5 percent energy cost discount to qualified customers between the months of May and September each year.

GENERAL PROVISIONS

- Several fiscal year 2013 General Revenue Fund-related items of appropriation are contingent on the certification of additional revenue above the Comptroller's Biennial Revenue Estimate. The first priority is an appropriation of \$500 million for the Medicaid Program. This contingency is a combination of insurance premium tax revenue expected with the expansion of managed care and other General Revenue increases. The second priority is the restoration of \$200 million reduction for Medicaid. The third priority is restoration of a \$250 million across-the-board reduction for state programs and services other than Medicaid, debt service, and the Foundation School Program.
- Section 18 of General Provisions contains appropriations contingent on passage of other legislation by the Eighty-second Legislature. Section 18.115 makes the entire appropriation for the Foundation School Program contingent on passage of Senate Bill 1811 relating to state fiscal matters and amendments to Chapter 42 of the Texas Education Code reducing state aid payments to school districts.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 1
ALL FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$4,807.9	\$4,291.2	(\$516.8)	(10.7%)
Article II – Health and Human Services	65,477.6	54,206.5	(11,271.1)	(17.2)
Article III – Agencies of Education	76,441.5	75,597.6	(843.9)	(1.1)
<i>Public Education</i>	53,701.5	53,826.7	125.2	0.2
<i>Higher Education</i>	22,740.0	21,770.9	(969.1)	(4.3)
Article IV – The Judiciary	673.9	643.1	(30.8)	(4.6)
Article V – Public Safety and Criminal Justice	12,073.9	11,430.8	(643.2)	(5.3)
Article VI – Natural Resources	3,649.0	3,158.4	(490.6)	(13.4)
Article VII – Business and Economic Development	23,202.8	24,368.3	1,165.5	5.0
Article VIII – Regulatory	798.7	696.6	(102.1)	(12.8)
Article IX – General Provisions	0.0	(2,387.3)	(2,387.3)	NA
Article X – The Legislature	372.8	340.0	(32.8)	(8.8)
Total, All Functions	\$187,498.1	\$172,345.1	(\$15,153.1)	(8.1%)

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 2
GENERAL REVENUE FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$2,439.1	\$1,979.2	(\$459.9)	(18.9%)
Article II – Health and Human Services	21,702.8	22,402.8	700.0	3.2
Article III – Agencies of Education	46,850.0	48,683.9	1,833.9	3.9
<i>Public Education</i>	33,783.6	36,827.2	3,043.6	9.0
<i>Higher Education</i>	13,066.4	11,856.7	(1,209.7)	(9.3)
Article IV – The Judiciary	425.8	370.8	(55.0)	(12.9)
Article V – Public Safety and Criminal Justice	8,620.4	8,184.0	(436.4)	(5.1)
Article VI – Natural Resources	874.3	653.5	(220.8)	(25.3)
Article VII – Business and Economic Development	501.1	594.4	93.3	18.6
Article VIII – Regulatory	293.3	276.2	(17.1)	(5.8)
Article IX – General Provisions	0.0	(3,017.7)	(3,017.7)	NA
Article X – The Legislature	372.2	339.4	(32.7)	(8.8)
Total, All Functions	\$82,078.9	\$80,466.4	(\$1,612.5)	(2.0%)

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 3
GENERAL REVENUE–DEDICATED FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$624.7	\$825.9	\$201.2	32.2%
Article II – Health and Human Services	961.5	931.7	(29.8)	(3.1)
Article III – Agencies of Education	2,512.4	2,502.2	(10.3)	(0.4)
<i>Public Education</i>	0.4	0.3	(0.1)	(25.0)
<i>Higher Education</i>	2,512.0	2,501.9	(10.1)	(0.4)
Article IV – The Judiciary	64.1	64.4	0.3	0.4
Article V – Public Safety and Criminal Justice	75.4	178.8	103.4	137.1
Article VI – Natural Resources	1,295.7	1,010.3	(285.3)	(22.0)
Article VII – Business and Economic Development	467.0	392.8	(74.3)	(15.9)
Article VIII – Regulatory	445.9	390.7	(55.2)	(12.4)
Article IX – General Provisions	0.0	119.1	119.1	NA
Article X – The Legislature	0.0	0.0	0.0	NA
Total, All Functions	\$6,446.7	\$6,415.8	(\$30.9)	(0.5%)

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 4
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$3,063.8	\$2,805.1	(\$258.7)	(8.4%)
Article II – Health and Human Services	22,664.3	23,334.5	670.2	3.0
Article III – Agencies of Education	49,362.4	51,186.0	1,823.6	3.7
<i>Public Education</i>	33,784.0	36,827.4	3,043.4	9.0
<i>Higher Education</i>	15,578.4	14,358.6	(1,219.8)	(7.8)
Article IV – The Judiciary	489.9	435.2	(54.7)	(11.2)
Article V – Public Safety and Criminal Justice	8,695.8	8,362.8	(333.0)	(3.8)
Article VI – Natural Resources	2,169.9	1,663.8	(506.1)	(23.3)
Article VII – Business and Economic Development	968.1	987.1	19.0	2.0
Article VIII – Regulatory	739.2	666.9	(72.3)	(9.8)
Article IX – General Provisions	0.0	(\$2,898.6)	(\$2,898.6)	NA
Article X – The Legislature	372.2	339.4	(32.7)	(8.8)
Total, All Functions	\$88,525.6	\$86,882.2	(\$1,643.4)	(1.9%)

*Includes certain anticipated supplemental spending adjustments.

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 5
FEDERAL FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$1,200.6	\$674.5	(\$526.1)	(43.8%)
Article II – Health and Human Services	42,216.6	30,387.1	(11,829.5)	(28.0)
Article III – Agencies of Education	14,014.6	10,935.3	(3,079.3)	(22.0)
<i>Public Education</i>	13,320.5	10,540.9	(2,779.6)	(20.9)
<i>Higher Education</i>	694.1	394.4	(299.7)	(43.2)
Article IV – The Judiciary	5.0	3.6	(1.4)	(27.9)
Article V – Public Safety and Criminal Justice	1,895.0	1,625.4	(269.6)	(14.2)
Article VI – Natural Resources	1,230.2	1,197.8	(32.3)	(2.6)
Article VII – Business and Economic Development	12,004.1	9,172.8	(2,831.3)	(23.6)
Article VIII – Regulatory	7.2	6.3	(0.9)	(12.2)
Article IX – General Provisions	0.0	388.1	388.1	NA
Article X – The Legislature	0.0	0.0	0.0	NA
Total, All Functions	\$72,573.2	\$54,390.0	(\$18,182.3)	(25.1%)

*Includes anticipated supplemental spending adjustments.

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 6
OTHER FUNDS:**

IN MILLIONS FUNCTION	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Article I – General Government	\$543.6	\$811.5	\$268.0	49.3%
Article II – Health and Human Services	596.7	484.9	(111.8)	(18.7)
Article III – Agencies of Education	13,064.5	13,476.2	411.8	3.2
<i>Public Education</i>	6,597.1	6,458.3	(138.8)	(2.1)
<i>Higher Education</i>	6,467.4	7,018.0	550.6	8.5
Article IV – The Judiciary	179.1	204.4	25.3	14.1
Article V – Public Safety and Criminal Justice	1,483.1	1,442.6	(40.5)	(2.7)
Article VI – Natural Resources	248.9	296.8	47.8	19.2
Article VII – Business and Economic Development	10,230.6	14,208.4	3,977.8	38.9
Article VIII – Regulatory	52.3	23.4	(28.8)	(55.2)
Article IX – General Provisions	0.0	123.2	123.2	NA
Article X – The Legislature	0.6	0.6	(0.0)	(5.2)
Total, All Functions	\$26,399.4	\$31,072.0	\$4,672.6	17.7%

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

RECOMMENDATIONS BY METHOD OF FINANCING

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 7
ADJUSTED BASE, GENERAL REVENUE COMPARISON TO BASE INCLUDING CERTAIN ARRA FUNDS:

IN MILLIONS	ESTIMATED/ BUDGETED <i>INCLUDING CERTAIN ARRA FUNDS</i> 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
FUNCTION				
Article I – General Government	\$2,466.1	\$1,979.2	(\$486.9)	(19.7%)
Article II – Health and Human Services	26,100.0	22,402.8	(3,697.2)	(14.2)
Article III – Agencies of Education	50,689.8	48,683.9	(2,005.9)	(4.0)
<i>Public Education</i>	37,395.4	36,827.2	(568.2)	(1.5)
<i>Higher Education</i>	13,293.4	11,856.7	(1,436.7)	(10.8)
Article IV – The Judiciary	425.8	370.8	(55.0)	(12.9)
Article V – Public Safety and Criminal Justice	8,620.4	8,184.0	(436.4)	(5.1)
Article VI – Natural Resources	874.3	653.5	(220.8)	(25.3)
Article VII – Business and Economic Development	501.1	594.4	93.3	18.6
Article VIII – Regulatory	293.3	276.2	(17.1)	(5.8)
Article IX – General Provisions	0.0	(3,017.7)	(3,017.7)	NA
Article X – The Legislature	372.2	339.4	(32.8)	(8.8)
Total, All Functions	\$90,342.0	\$80,466.4	(\$9,876.5)	(10.9%)

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding. Amounts above in 2010–11 include \$8.3 billion in American Recovery and Reinvestment Act funds that were used for certain expenses that would have otherwise been supported by state general revenue.

RECOMMENDATIONS BY FUND SOURCE

2012–13 BIENNIAL RECOMMENDATIONS

FIGURE 3
ESTIMATED/BUDGETED FOR 2010–11
BY FUND SOURCE

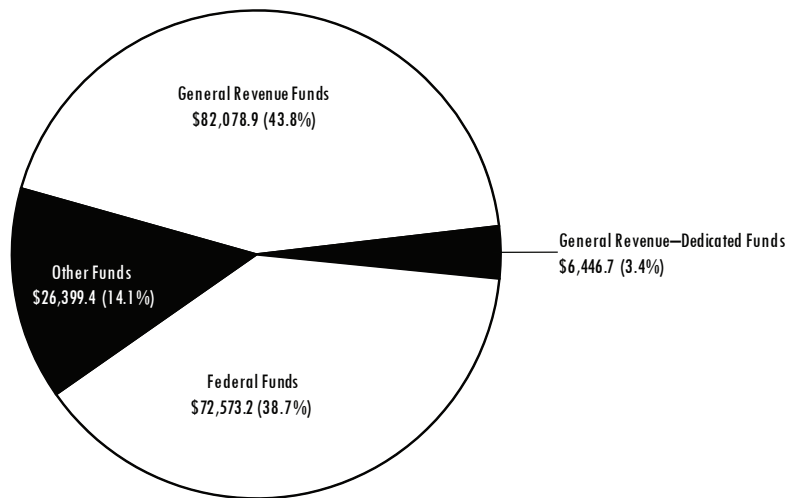
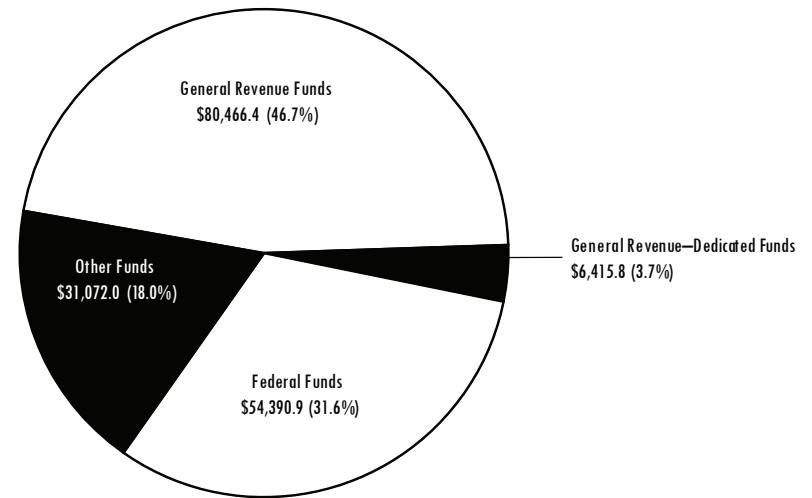


FIGURE 4
BIENNIAL RECOMMENDATIONS FOR 2012–13
BY FUND SOURCE



NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

COMPARISON OF COMMITTEE RECOMMENDATIONS

2012–13 HOUSE, SENATE, AND CONFERENCE COMMITTEE RECOMMENDATIONS

**TABLE 8
ALL FUNDS:**

IN MILLIONS FUNCTION	HOUSE RECOMMENDED 2012–13	SENATE RECOMMENDED 2012–13	CONFERENCE RECOMMENDED 2012–13
Article I – General Government	\$3,635.0	\$4,150.9	\$4,291.2
Article II – Health and Human Services	54,055.8	57,702.5	54,206.5
Article III – Agencies of Education	69,720.6	76,270.3	75,597.6
Article IV – The Judiciary	638.8	630.6	643.1
Article V – Public Safety and Criminal Justice	10,957.9	11,696.3	11,430.8
Article VI – Natural Resources	3,099.4	3,237.5	3,158.4
Article VII – Business and Economic Development	20,772.8	24,109.3	24,368.3
Article VIII – Regulatory	701.9	547.6	696.6
Article IX – General Provisions	619.0	(5,889.5)	(2,387.3)
Article X – The Legislature	313.5	341.8	340.0
Grand Total	\$164,514.6	\$172,797.3	\$172,345.1

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

COMPARISON OF COMMITTEE RECOMMENDATIONS

2012–13 HOUSE, SENATE, AND CONFERENCE COMMITTEE RECOMMENDATIONS

**TABLE 9
GENERAL REVENUE FUNDS:**

IN MILLIONS FUNCTION	HOUSE RECOMMENDED 2012–13	SENATE RECOMMENDED 2012–13	CONFERENCE RECOMMENDED 2012–13
Article I – General Government	\$2,042.3	\$2,119.9	\$1,979.2
Article II – Health and Human Services	22,053.4	23,688.0	22,402.8
Article III – Agencies of Education	43,569.5	49,349.8	48,683.9
Article IV – The Judiciary	377.8	371.8	370.8
Article V – Public Safety and Criminal Justice	7,847.3	8,479.4	8,184.0
Article VI – Natural Resources	644.4	682.6	653.5
Article VII – Business and Economic Development	502.4	595.3	594.4
Article VIII – Regulatory	282.7	276.7	276.2
Article IX – General Provisions	(17.0)	(4,065.2)	(3,017.7)
Article X – The Legislature	313.0	341.2	339.4
Grand Total	\$77,615.7	\$81,839.5	\$80,466.4

*Includes certain anticipated supplemental spending adjustments.

NOTES: Excludes interagency contracts. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

SIGNIFICANT FUNDING ELEMENTS AND COSTS

The elements of cost for debt service and employee benefits/employer costs are described below. These costs are distributed to the various functions of government (Education, Public Safety and Criminal Justice, etc.) to reflect the total cost of each function.

DEBT SERVICE

The funding for debt service totals \$3,263.9 million in All Funds for the 2012–13 biennium and consists of \$1,558.8 million in fiscal year 2012 and \$1,705.1 million in fiscal year 2013. Table 10 shows estimated/budgeted and recommended General Obligation (GO) and revenue bond debt service costs by agency and methods of finance for the 2010–11 and 2012–13 biennia.

The funding includes a biennial increase of \$30.5 million in General Revenue Funds or 2.0 percent, mainly due to an increase in appropriations of General Revenue Funds for debt service related to the following GO bond projects: Highway Improvement (\$4 billion); Economically Distressed Areas and Water Infrastructure (\$300 million); courthouse preservation grants, deferred maintenance, and critical repair capital projects (\$132.4 million); and cancer research and prevention related grants (\$600 million, contingent on the passage House Bill 2251, or similar legislation). This increase is offset by a decrease in appropriations for debt service requirements for Tuition Revenue Bonds, restructuring approximately \$111.4 million in outstanding debt, and converting certain short-term debt (commercial paper) to

TABLE 10
DEBT SERVICE PAYMENTS BY AGENCY AND FUND SOURCE, ALL FUNDS

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY/FUND SOURCE				
Texas Public Finance Authority - GO Bonds	\$624.4	\$606.6	(\$17.8)	(2.9%)
Texas Public Finance Authority - MLPP	26.2	19.1	(7.1)	(27.1)
Historical Commission/National Museum of the Pacific War - Lease Payments	1.9	1.7	(0.2)	(10.5)
Governor's Office - Economic Growth and Tourism	6.5	10.0	3.5	53.8
Water Development Board - Water Bonds	182.9	213.3	30.4	16.6
Facilities Commission - Lease Payments	86.0	76.3	(9.7)	(11.3)
Preservation Board/History Museum - Lease Payments	12.0	11.8	(0.2)	(1.7)
Department of State Health Services - Lease Payments	5.7	5.7	0.0	0.0
Tuition Revenue Bonds	599.4	587.4	(12.0)	(2.0)
Adjutant General's Department	4.6	4.6	0.0	0.0
Department of Criminal Justice - Private Prison Lease/Purchase	19.9	14.0	(5.9)	(29.6)
Parks and Wildlife - Lease Payments	14.9	14.5	(0.4)	(2.7)
Department of Transportation - State Highway Fund	526.4	750.5	224.1	42.6
Department of Transportation - Texas Mobility Fund	648.2	691.9	43.7	6.7
Department of Transportation - Highway Improvements (General Revenue)	21.9	256.5	234.6	1,069.3
TOTAL, Debt Service Payments	\$2,780.9	\$3,263.9	\$483.0	17.4%
METHOD OF FINANCING:				
General Revenue Funds	\$1,542.9	\$1,573.4	\$30.5	2.0%
General Revenue—Dedicated Funds	7.1	85.5	78.4	1,104.2
Federal Funds	71.6	137.8	66.2	92.5
Other Funds	1,159.3	1,467.2	307.9	26.6
TOTAL, All Funds	\$2,780.9	\$3,263.9	\$483.0	17.4%

NOTES: Totals may not sum due to rounding.

Contingent on the passage of Senate Bill 1811, or similar legislation and included in amounts reflected in the table above, is approximately \$78.1 million in General Revenue—Dedicated Funds related to Tobacco Settlement Funds for debt service for General Obligation bond proceeds related to the Cancer Prevention and Research Institute of Texas.

SIGNIFICANT FUNDING ELEMENTS AND COSTS (CONTINUED)

long-term debt for capital projects approved in previous biennia.

The funding includes a biennial increase of \$78.4 million in General Revenue–Dedicated Funds, primarily due to the appropriation of certain Tobacco settlement funds for debt service for cancer prevention and research bonds, contingent on the passage of Senate Bill 1811, or similar legislation.

The funding includes a biennial increase of \$66.2 million in Federal Funds, or 92.5 percent, primarily related to a debt service subsidy for the issuance of approximately \$3,705.5 million of Build America Bonds for transportation and capital projects. In addition, the funding includes a biennial increase of \$307.9 million in Other Funds or 26.6 percent, for debt service from the 2010–11 level. This increase is primarily due to increases in debt service requirements out of the State Highway Fund and the Texas Mobility Fund, and for water projects.

RETIREMENT BENEFITS

The Employees Retirement System (ERS) administers the retirement program for general state employees, which is funded by a combination of state contributions, member contributions, and investment earnings of the retirement fund. Table 11 shows a comparison of the estimated/budgeted benefits costs for the 2010–11 biennium and the amounts for the 2012–13 biennium by method of finance. Funding for retirement state contributions reflects a decrease of \$83.2 million in All Funds (\$57.4 million in General Revenue Funds and General Revenue–Dedicated

Funds) for employee retirement benefits. The bill reflects a decrease in the state contribution rate from 6.95 percent to 6.0 percent in fiscal year 2012, then an increase to 6.5 percent in fiscal year 2013, and no payroll growth for state and higher education employees during the 2012–13 biennium. The bill reflects the member contribution to the ERS retirement fund remaining at 6.5 percent, contingent upon the enactment of legislation eliminating

the alignment of member contributions to state contributions in fiscal year 2012, which results in a combined contribution rate of 12.5 percent in fiscal year 2012 and 13.0 percent in fiscal year 2013.

According to the February 28, 2011 actuarial valuation update of the ERS retirement fund, the total required contribution rate that would fund the normal cost of the retirement plan,

**TABLE 11
SELECTED EMPLOYEE BENEFITS, ALL FUNDS**

IN MILLIONS AGENCY/FUND SOURCE	ESTIMATED/ BUDGETED 2010–11*	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Benefit Replacement Pay	\$78.8	\$69.4	(\$9.4)	(12.0%)
Social Security	1,498.7	1,503.6	4.9	0.3
ERS Retirement	806.5	723.4	(83.2)	(10.3)
ERS Health	2,472.1	2,708.6	236.5	9.6
TRS-Retirement	3,391.4	3,244.9	(146.5)	(4.3)
TRS-Retiree Insurance	521.1	401.0	(120.0)	(23.0)
ORP	294.2	247.9	(46.3)	(15.7)
HEGI	1,068.3	969.0	(99.3)	(9.3)
TOTAL	\$10,131.0	\$9,867.7	(\$263.3)	(2.6%)
METHOD OF FINANCING:				
General Revenue Funds	\$8,057.9	\$7,681.1	(\$376.7)	(4.7%)
General Revenue–Dedicated Funds	505.2	542.6	37.4	7.4
Federal Funds	824.0	837.0	13.1	1.6
Other Funds	744.0	806.9	62.9	8.5
TOTAL, All Funds	\$10,131.0	\$9,867.7	(\$263.3)	(2.6%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

SIGNIFICANT FUNDING ELEMENTS AND COSTS (CONTINUED)

which is the cost of benefits being earned during the year by current active members, is 12.3 percent. The total required contribution rate that would both fund the normal cost and amortize the plan's unfunded accrued liability over 31 years is 17.81 percent. According to the same actuarial valuation, the retirement plan had a funded ratio (actuarial value of the plan's assets over the plan's accrued liability) of 82.4 percent, a decrease of 0.8 percentage points from the August 31, 2010 actuarial valuation.

ERS also administers the Law Enforcement and Custodial Officer Supplemental (LECOS) Retirement Fund, which provides an increased retirement benefit for certain employees who are certified peace officers and custodial officers. The bill includes a decrease in funding of \$40.2 million in All Funds (\$35.6 million in General Revenue Funds and General Revenue-Dedicated Funds) to the LECOS Retirement Fund, which reflects a decrease in the state contribution rate from 1.59 percent to 0.0 percent in fiscal year 2012, then an increase in the state contribution to 0.5 percent in fiscal year 2013 contingent on enactment of legislation authorizing appropriations to the LECOS Retirement Fund from Operators and Chauffeurs License Account 099. The bill also reflects the member contribution to the LECOS Retirement Fund remaining at 0.5 percent, contingent upon the enactment of legislation eliminating the alignment of member contributions to state contributions in fiscal year 2012, which results in a combined contribution rate of 0.5 percent in fiscal year 2012 and 1.0 percent in fiscal year 2013.

According to the February 28, 2011 actuarial valuation update of the LECOS retirement fund, the total required contribution rate that would fund the normal cost is 2.07 percent. The total required contribution rate that would both fund the normal cost and amortize the unfunded accrued liability over 31 years is 2.82 percent.

The third pre-funded retirement program administered by ERS is the Judicial Retirement System Plan Two (JRS-II), which is the retirement program for judges who became judiciary members on or after September 1, 1985. The bill includes a reduction in funding of \$14.3 million in All Funds (\$10.8 million in General Revenue Funds), which reflects a decrease in the state contribution rate from 16.83 percent to 6.0 percent in fiscal year 2012, then an increase to 6.5 percent in fiscal year 2013. According to the February 28, 2011 actuarial valuation update, the state contribution rate that would fund the normal cost is 14.21 percent. The required state contribution rate that would both fund the normal cost and amortize the unfunded accrued liability over 31 years is 16.83 percent.

The Teacher Retirement System of Texas (TRS) provides retirement benefits for employees of public school districts and institutions of higher education. The Optional Retirement Program (ORP) is a defined contribution plan that was created as an alternative to the defined benefit plan provided by TRS. Eligible higher education employees make a one-time choice between participating in ORP or TRS within their first

90 days of employment. State retirement contributions for the TRS are 6.0 percent of active member payroll in fiscal year 2012 and 6.4 percent in fiscal year 2013. These contributions represent an All Funds decrease of \$146.5 million and reflect no payroll growth. For the Optional Retirement Program, funding is \$46.3 million below the 2010–11 biennial level, representing a state contribution rate of 6.0 percent for each year of the 2012–13 biennium and reflects no payroll growth.

GROUP INSURANCE

The Employees Retirement System (ERS) administers the Group Benefits Program (GBP), which provides group health insurance to active and retired state employees, and their dependents. The funding for state contributions for group insurance benefits reflects an appropriation increase of \$236.5 million in All Funds (\$123.8 million in General Revenue Funds and General Revenue-Dedicated Funds), plus a 1.0 percent payroll contribution by all general state agencies for group health insurance, as provided by Article IX of the bill. Funding reflects an annual cost trend of 7.0 percent, additional costs related to federal healthcare legislation, 5.0 percent annual retiree growth, and several cost-saving initiatives by the Employees Retirement System with regard to the Group Benefits Program.

The bill also includes eliminating the state's contribution for dependent health insurance coverage for certain state employees through the State Kids Insurance Program (SKIP) due to changes in federal law that authorize federal matching funds for children of state employees

SIGNIFICANT FUNDING ELEMENTS AND COSTS (CONTINUED)

eligible for the Children's Health Insurance Program (CHIP), which is administered by the Health and Human Services Commission. Finally, the bill instructs ERS to conduct a study of the current design and funding of the GBP, as well as potential changes to improve its sustainability.

Higher Education Employees Group Insurance (HEGI) provides health benefits coverage to higher education employees belonging to one of the following three systems: The University of Texas System (UT), the Texas A&M University System (TAMU), and the Employees Retirement System (ERS). The ERS Group Benefits Program serves all higher education institutions that are not part of either UT or TAMU. The state contributions to HEGI result in an All Funds decrease of \$99.3 million. The contributions fund premium contribution rates of 83.4 percent for the UT and TAMU systems and 85.8 percent for institutions within ERS. The premium contribution rate for public community colleges is 41.7 percent of "full" ERS premium rates. HEGI contributions fund enrollment growth and provide rate increases of 1.29 percent in fiscal year 2012 and 5.42 percent in fiscal year 2013.

The Teacher Retirement System of Texas (TRS) administers the Texas Public School Retired Employee Group Insurance Program, which is referred to as TRS-Care. This program provides health insurance coverage for public education TRS retirees who are not eligible to participate in the state higher education or state employee plans. The benefits of TRS-Care are financed through a combination of state contributions, retiree premiums, and

a percentage of payroll contributions from active employees and local school districts. According to the August 31, 2010 actuarial valuation of the TRS-Care retiree insurance trust fund, the asset balance of the trust fund is \$815.0 million. Funding assumes a state contribution rate of 1.0 percent of active public education employee payroll for fiscal year 2012 and 0.5 percent for fiscal year 2013. Recommendations for state contributions for TRS-Care retiree insurance reflect a decrease of \$120.1 million from the 2010–11 biennium and assume no payroll growth.

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

The Comptroller of Public Accounts is responsible for the payment of state and employee Social Security taxes to the federal government. The Comptroller is also responsible for providing Benefit Replacement Pay (BRP) to general state employees continuously employed since August 31, 1995. Prior to fiscal year 1996, state employees received a state-paid Federal Insurance Contributions Act (FICA) supplemental payment of 5.85 percent on their first \$16,500 of FICA-covered wages, up to a maximum of \$965.25. The Seventy-fourth Legislature, Regular Session, 1995, repealed this state-paid contribution for the Social Security obligation and replaced it with a benefit supplement (BRP) to ensure that take-home pay was not reduced.

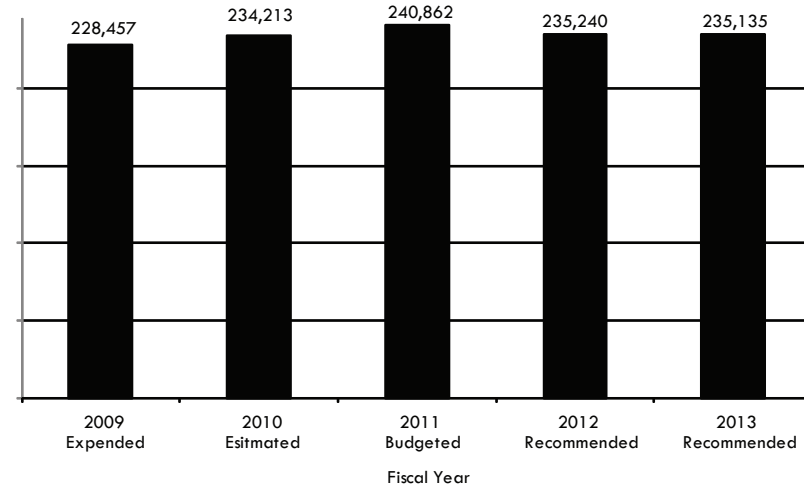
Funding for state contributions for Social Security reflects an increase of \$4.9 million in All Funds (\$12.5 million in General Revenue Funds and General Revenue–Dedicated

Funds), and no payroll growth for state and higher education employees. Funding for Benefit Replacement Pay reflects a decrease of \$9.4 million in All Funds (\$5.5 million in General Revenue Funds and General Revenue–Dedicated Funds) due to a projected 6.5 percent annual turnover rate in employees hired before September 1, 1995.

FULL-TIME-EQUIVALENT POSITIONS

The Conference Committee Report on House Bill 1 provides for 235,240 full-time-equivalent positions (FTEs) in fiscal year 2012, and 235,135 in fiscal year 2013. As shown in Figure 5, the fiscal year 2013 amount represents a decrease of 5,727 from the 2011 budgeted levels.

**FIGURE 5
FULL-TIME-EQUIVALENT POSITIONS**



**TABLE 12
FULL-TIME-EQUIVALENT POSITIONS**

IN MILLIONS					
FUNCTION	EXPENDED 2009	ESTIMATED 2010	BUDGETED 2011	RECOMMENDED 2012	RECOMMENDED 2013
Article I – General Government	9,118	9,346	9,687	9,234	9,233
Article II – Health and Human Services	52,746	54,994	57,760	57,072	56,916
Article III – Agencies of Education	83,706	85,852	87,225	85,204	85,219
Article IV – The Judiciary	1,367	1,384	1,401	1,385	1,385
Article V – Public Safety and Criminal Justice	52,803	53,838	54,854	53,414	53,330
Article VI – Natural Resources	8,504	8,619	8,796	8,354	8,359
Article VII – Business and Economic Development	17,108	17,057	17,764	17,104	16,978
Article VIII – Regulatory	3,105	3,124	3,376	3,362	3,355
Article IX – General Provisions	-	-	-	112	361
Grand Total	228,457	234,213	240,862	235,240	235,135

NOTE: Totals may not sum due to rounding.

PERFORMANCE MEASURES AND TARGETS

There are four types of performance measures used in the appropriations process: outcome, output, efficiency, and explanatory. Each type of measure serves a different purpose.

- Outcome measures are used to assess an agency's effectiveness in serving its key customers and in achieving its mission, goals, and objectives. They also are used to direct resources to strategies with the greatest effect on the most-valued outcomes.
- Output measures are used to assess workload and the agency's efforts to address those demands.

- Efficiency measures are used to assess the cost-efficiency, productivity, and timeliness of agency operations.
- Explanatory measures are used to define the agency's operating environment and to explain factors that are relevant to the interpretation of other agency measures.

Performance measures contained in the General Appropriations Act are designated as key measures. For key outcome, output, efficiency and explanatory performance measures, a target is established for each year of the biennium for which funds are appropriated.

As shown in Table 13, the Conference Committee Report on House Bill 1 recommended appropriations for the 2012–13 biennium contain 1,952 key performance measures, which represents a 1 percent decrease in the total number of key performance measures from the 2010–11 biennial level, and a 5 percent decrease from the 2002–03 biennial level.

Performance measures that have been developed for state agency use but that are not contained in the General Appropriations Act are designated as non-key measures. Although targets are not established, agencies annually submit performance information related to these measures to the LBB.

**TABLE 13
PERFORMANCE MEASURES, BY TYPE**

TYPE OF MEASURE	APPROPRIATED 2002–03	APPROPRIATED 2004–05	APPROPRIATED 2006–07	APPROPRIATED 2008–09	APPROPRIATED 2010–11	RECOMMENDED 2012–13
KEY						
Outcome (results/impact)	830	901	906	879	940	927
Output (volume)	819	824	734	669	652	638
Efficiency	291	295	323	287	235	236
Explanatory	125	135	124	126	147	151
Total	2,065	2,155	2,087	1,961	1,974	1,952
NON-KEY						
Outcome (results/impact)	1,355	1,414	1,495	1,499	1,391	1,436
Output (volume)	1,538	1,455	1,340	1,331	1,243	1,277
Efficiency	863	831	743	714	631	601
Explanatory	1,056	1,084	996	984	886	839
Total	4,812	4,784	4,574	4,528	4,151	4,153

REVENUE OUTLOOK FOR THE 2012–13 BIENNIUM

CONSTITUTIONAL SPENDING LIMITS

Texas has four constitutional limits on spending: the “pay-as-you-go,” or balanced budget limit; the limit on the rate of growth of appropriations from certain state taxes; the limit on welfare spending; and a limit on tax-supported debt.

ARTICLE III, SECTION 49A, “PAY-AS-YOU-GO” LIMIT

Article III, §49a, Texas Constitution, is the “pay-as-you-go” limit. It requires that bills making appropriations be sent to the Comptroller of Public Accounts (CPA) for certification that the appropriations are within available general revenue.

The Conference Committee Report on House Bill 1 appropriations from the General Revenue Fund for the 2012–13 biennium total \$80.5 billion, which does not exceed the “pay-as-you-go” limit in consideration with provisions of House Bill 4, House Bill 275, Senate Bill 1811, and other fiscal matters legislation being considered by the Eighty-second Legislature, 2011.

ARTICLE VIII, §22, LIMIT ON THE GROWTH OF CERTAIN APPROPRIATIONS.

Article VIII, §22, Texas Constitution states: “In no biennium shall the rate of growth of appropriations from state tax revenue not dedicated by this Constitution exceed the estimated rate of growth of the state’s economy.” Under Texas Government Code, §316, the Legislative Budget Board is required to adopt the items of information

establishing the Article VIII limit. The Board met on November 15, 2010, and adopted the following items:

- The level of appropriations from state tax revenue not dedicated by the Texas Constitution for the 2010–11 biennium is \$71,665,225,913 subject to adjustments or revisions resulting from revenue forecast;
- The estimated rate of growth of the Texas economy from the 2010–11 biennium to the 2012–13 biennium of 8.92 percent; and therefore,
- The 2012–13 limit on appropriations from state tax revenue not dedicated by the Texas Constitution of \$78,057,764,064 subject to adjustments to 2012–13 biennial appropriations referenced above.

The Conference Committee Report on House Bill 1 2012–13 appropriations are within the Article VIII limit. The exact relationship between the final 2012–13 appropriations and the Article VIII limit will depend on the contents of the CPA’s revised revenue estimate and supplemental appropriations that may be enacted by the Legislature.

ARTICLE III, §51-A, WELFARE SPENDING LIMIT

Article III, §51-a, of the Texas Constitution provides that the amount that may be paid out of state funds for assistance grants to or on behalf of needy dependent children and their caretakers shall not exceed 1 percent of the state budget in any biennium.

In accordance with Texas Human Resources Code, §31.053, the following items of information pertaining to the limit are provided:

- The Conference Committee Report on House Bill 1 2012–13 biennial budget defined in Texas Human Resources Code, §31.053, is \$172,345.1 million;;
- The maximum biennial amount of 1 percent of the state budget is \$1,723.5 million; and
- The biennial amount included in the Conference Committee Report on House Bill 1 subject to the limit on state dollars paid out in Temporary Assistance for Needy Families (cash assistance) grants is \$231.0 million. This amount is \$1,492.5 million less than the 1 percent limit.

ARTICLE III, §49(J), DEBT LIMIT

Article III, §49(j) of the Texas Constitution provides that the Legislature may not authorize additional state debt if in any fiscal year the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds 5 percent of the average annual unrestricted general revenue for the previous three years.

To monitor where the state stands in relation to the constitutional debt limit, the Bond Review Board (BRB) calculates two debt ratios. The first ratio is the debt service on outstanding or issued debt as a percentage of unrestricted General Revenue Funds. At the end of fiscal

REVENUE OUTLOOK FOR THE 2012–13 BIENNIUM (CONTINUED)

year 2010, the BRB reported that the issued debt ratio is 1.36 percent.

The second debt ratio is the debt service on outstanding debt and estimated debt service for authorized but unissued bonds. The BRB has reported that the state is at 4.10 percent of unrestricted general revenue for the end of fiscal year 2010. This latter calculation includes authorization of \$3 billion in bonds for cancer research initiatives and \$5 billion for transportation projects. However, as of the end of fiscal year 2010, approximately \$225 million of cancer related debt and none of the transportation related debt has been issued.

The Conference Committee Report on House Bill 1 includes appropriations of \$14.9 million in General Revenue Funds for debt service on \$300 million in General Obligation bond proceeds for Water Infrastructure Fund projects and the Economically Distressed Areas Program. It is estimated that the impact of this debt service appropriation would increase the constitutional debt limit ratio from 4.10 percent to 4.12 percent of the three-year average of unrestricted general revenue.

Note: The Bond Review Board considers certain self-supporting water General Obligation bond debt to be not self-supporting when there is an appropriation of General Revenue Funds for the related debt service. Therefore, these bonds may have an impact on the constitutional debt limit calculation.

ECONOMIC STABILIZATION FUND (RAINY DAY FUND)

The Economic Stabilization Fund, frequently referred to as the Rainy Day Fund, ended fiscal year 2010 with a balance of \$7.7 billion. As a result of natural gas tax and oil production tax collections in fiscal year 2010 exceeding 1987 levels, the fund received a transfer of \$451.5 million from the General Revenue Fund in November 2010. The November transfer plus interest earnings brought the Economic Stabilization Fund balance to \$8.2 billion as of January 1, 2011. The CPA forecasts that by the end of fiscal year 2013, the balance in the Economic Stabilization Fund will be \$9.7 billion. House Bill 275 appropriates \$3.2 billion of the projected \$9.7 billion estimated to be available in the Economic Stabilization Fund. Appropriations from the fund will be reduced to the extent that the CPA certifies additional available revenue.

GENERAL GOVERNMENT

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for General Government total \$4.3 billion for the 2012–13 biennium, which is a decrease of \$516.8 million, or 10.7 percent, from the 2010–11 biennium (Table 14).

General Revenue Funds and General Revenue–Dedicated Funds total \$2.8 billion, which is a decrease of \$258.7 million, or 8.4 percent, from the 2010–11 biennium (Table 15).

**TABLE 14
ALL FUNDS: GENERAL GOVERNMENT**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Commission on the Arts	15.9	7.5	(8.4)	(52.7)
Office of the Attorney General	1,117.4	1,043.4	(74.0)	(6.6)
Bond Review Board	1.2	1.0	(0.2)	(16.3)
Cancer Prevention and Research Institute of Texas	227.6	600.1	372.4	163.6
Comptroller of Public Accounts	505.3	412.1	(93.3)	(18.5)
Fiscal Programs - Comptroller of Public Accounts	1,091.3	801.8	(289.5)	(26.5)
Commission on State Emergency Communications	139.4	115.0	(24.4)	(17.5)
Employees Retirement System	16.2	16.2	0.0	NA
Texas Ethics Commission	4.0	3.9	(0.1)	(2.3)
Facilities Commission	166.9	101.6	(65.3)	(39.1)
Public Finance Authority	6.6	4.9	(1.7)	(26.1)
Fire Fighters' Pension Commissioner	1.5	1.7	0.2	11.8
Office of the Governor	24.0	19.5	(4.4)	(18.5)
Trusted Programs Within the Office of the Governor	870.1	507.1	(363.0)	(41.7)
Historical Commission	104.9	32.4	(72.5)	(69.2)

GENERAL GOVERNMENT

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 14
ALL FUNDS: GENERAL GOVERNMENT (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Department of Information Resources	\$643.1	\$567.6	(\$75.5)	(11.7%)
Library & Archives Commission	77.7	41.0	(36.8)	(47.3)
Pension Review Board	1.4	1.4	0.0	1.4
Preservation Board	35.4	28.2	(7.3)	(20.5)
State Office of Risk Management	17.6	18.1	0.5	3.1
Workers' Compensation Payments	90.2	96.2	6.0	6.6
Secretary of State	72.5	90.0	17.5	24.1
Veterans Commission	47.3	55.2	7.9	16.7
Subtotal, General Government	\$5,277.6	\$4,565.8	(\$711.8)	(13.5%)
Retirement and Group Insurance	\$204.3	\$211.1	\$6.8	3.3%
Social Security and Benefit Replacement Pay	78.4	77.0	(1.4)	(1.8)
Subtotal, Employee Benefits	\$282.7	\$288.1	\$5.4	1.9%
Bond Debt Service Payments	\$56.1	\$129.2	\$73.0	130.1%
Lease Payments	23.2	22.0	(1.1)	(4.9)
Subtotal, Debt Service	\$79.3	\$151.2	\$71.9	90.7%
Less Interagency Contracts	\$831.7	\$713.9	(\$117.7)	(14.2%)
Total Article I – General Government	\$4,807.9	\$4,291.2	(\$516.8)	(10.7%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

GENERAL GOVERNMENT

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 15
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: GENERAL GOVERNMENT**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Commission on the Arts	\$10.2	\$5.1	(\$5.1)	(50.0%)
Office of the Attorney General	572.3	546.4	(25.9)	(4.5)
Bond Review Board	1.2	1.0	(0.2)	(16.3)
Cancer Prevention and Research Institute of Texas	0.2	0.0	(0.2)	(95.1)
Comptroller of Public Accounts	453.5	404.0	(49.5)	(10.9)
Fiscal Programs - Comptroller of Public Accounts	797.2	768.8	(28.5)	(3.6)
Commission on State Emergency Communications	135.9	112.0	(24.0)	(17.6)
Employees Retirement System	16.2	16.2	0.0	NA
Texas Ethics Commission	3.9	3.8	(0.1)	(1.9)
Facilities Commission	60.9	62.7	1.8	3.0
Public Finance Authority	5.9	3.6	(2.3)	(39.4)
Fire Fighters' Pension Commissioner	1.4	1.6	0.2	12.5
Office of the Governor	22.8	19.0	(3.8)	(16.6)
Trusted Programs Within the Office of the Governor	511.3	368.3	(143.0)	(28.0)
Historical Commission	36.1	25.5	(10.6)	(29.4)
Department of Information Resources	1.5	1.4	(0.2)	(10.0)
Library & Archives Commission	39.5	14.4	(25.2)	(63.6)
Pension Review Board	1.4	1.4	0.0	1.7
Preservation Board	24.2	28.1	4.0	16.4
State Office of Risk Management	0.0	0.0	0.0	NA
Workers' Compensation Payments	0.0	0.0	0.0	NA

GENERAL GOVERNMENT

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 15
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: GENERAL GOVERNMENT (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Secretary of State	\$45.2	\$33.7	(\$11.5)	(25.4%)
Veterans Commission	13.9	13.6	(0.3)	(1.9)
Subtotal, General Government	\$2,754.6	\$2,430.4	(\$324.2)	(11.8%)
Retirement and Group Insurance	\$165.3	\$162.4	(\$2.8)	(1.7%)
Social Security and Benefit Replacement Pay	65.4	61.9	(3.4)	(5.2)
Subtotal, Employee Benefits	\$230.6	\$224.4	(\$6.2)	(2.7%)
Bond Debt Service Payments	\$55.4	\$128.3	\$72.9	131.4%
Lease Payments	23.2	22.0	(1.1)	(4.9)
Subtotal, Debt Service	\$78.6	\$150.3	\$71.7	91.3%
Total Article I – General Government	\$3,063.8	\$2,805.1	(\$258.7)	(8.4%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

HEALTH AND HUMAN SERVICES

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Health and Human Services total \$54.2 billion for the 2012–13 biennium, a decrease of \$11.3 billion, or 17.2 percent, from the 2010–11 biennium (Table 16).

General Revenue Funds and General Revenue–Dedicated Funds total \$23.3 billion, an increase of \$670.2 million, or 3.0 percent, from the 2010–11 biennium (Table 17).

**TABLE 16
ALL FUNDS: HEALTH AND HUMAN SERVICES**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Aging and Disability Services, Department of	\$13,641.7	\$9,675.5	(\$3,966.2)	(29.1%)
Assistive and Rehabilitative Services, Department of	1,348.8	1,251.6	(97.2)	(7.2)
Family and Protective Services, Department of	2,740.3	2,748.0	7.6	0.3
State Health Services, Department of	6,140.2	5,760.1	(380.0)	(6.2)
Health and Human Services Commission	40,782.6	33,869.4	(6,913.2)	(17.0)
Subtotal, Health and Human Services	\$64,653.7	\$53,304.6	(\$11,349.1)	(17.6%)
Retirement and Group Insurance	\$1,105.4	\$1,160.6	\$55.1	5.0%
Social Security and Benefit Replacement Pay	343.1	338.8	(4.3)	(1.2)
Subtotal, Employee Benefits	\$1,448.5	\$1,499.4	\$50.8	3.5%

HEALTH AND HUMAN SERVICES

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 16
ALL FUNDS: HEALTH AND HUMAN SERVICES (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Bond Debt Service Payments	\$55.3	\$55.4	\$0.1	0.2%
Lease Payments	13.9	12.5	(1.4)	(10.3)
Subtotal, Debt Service	\$69.1	\$67.8	(\$1.3)	(1.9%)
Less Interagency Contracts	\$693.8	\$665.4	(\$28.4)	(4.1%)
Total Article II – Health and Human Services	\$65,477.6	\$54,206.5	(\$11,271.1)	(17.2%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

HEALTH AND HUMAN SERVICES

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 17
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: HEALTH AND HUMAN SERVICES**

IN MILLIONS AGENCY	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Aging and Disability Services, Department of	\$4,427.6	\$4,030.7	(\$397.0)	(9.0%)
Assistive and Rehabilitative Services, Department of	245.9	243.4	(2.4)	(1.0)
Family and Protective Services, Department of	1,080.4	1,298.0	217.6	20.1
State Health Services, Department of	2,955.0	2,875.6	(79.4)	(2.7)
Health and Human Services Commission	13,040.0	13,908.1	868.1	6.7
Subtotal, Health and Human Services	\$21,748.8	\$22,355.7	\$606.9	2.8%
Retirement and Group Insurance	\$658.7	\$710.2	\$51.5	7.8%
Social Security and Benefit Replacement Pay	194.6	208.1	13.5	6.9
Subtotal, Employee Benefits	\$853.3	\$918.3	\$64.9	7.6%
Bond Debt Service Payments	\$48.3	\$48.0	(\$0.2)	(0.5%)
Lease Payments	13.9	12.5	(1.4)	(10.3)
Subtotal, Debt Service	\$62.1	\$60.5	(\$1.7)	(2.7%)
Total Article II – Health and Human Services	\$22,664.3	\$23,334.5	\$670.2	3.0%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

EDUCATION

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Education total \$75.6 billion for the 2012–13 biennium, which is a decrease of \$843.9 million, or 1.1 percent, from the 2010–11 biennium (Table 18).

General Revenue Funds and General Revenue–Dedicated Funds total \$51.2 billion, which is an increase of \$1.8 billion, or 3.7 percent, from the 2010–11 biennium (Table 19).

TABLE 18
ALL FUNDS: EDUCATION

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Public Education				
Texas Education Agency	\$50,051.3	\$50,385.6	\$334.3	0.7%
School for the Blind and Visually Impaired	93.8	41.2	(52.5)	(56.0)
School for the Deaf	53.5	52.7	(0.8)	(1.5)
Subtotal, Public Education	\$50,198.6	\$50,479.6	\$281.0	0.6%
Public Higher Education				
General Academic Institutions	\$6,269.7	\$5,839.2	(\$430.4)	(6.9%)
Health-related Institutions	7,829.4	7,956.2	126.8	1.6
Texas A&M Service Agencies	930.9	889.7	(41.1)	(4.4)
Higher Education Coordinating Board	1,782.5	1,292.0	(490.5)	(27.5)
Higher Education Fund	525.0	525.0	0.0	NA
Available University Fund	1,059.0	1,061.4	2.4	0.2

EDUCATION

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 18
ALL FUNDS: EDUCATION (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Two-Year Institutions				
Public Community/Junior Colleges	\$1,768.9	\$1,714.7	(\$54.2)	(3.1%)
Lamar Lower-level Institutions	70.5	65.0	(5.5)	(7.8)
Texas State Technical Colleges	176.6	162.0	(14.6)	(8.3)
Subtotal, Two-Year Institutions	\$2,016.1	\$1,941.7	(\$74.3)	(3.7%)
Subtotal, Higher Education	\$20,412.6	\$19,505.4	(\$907.2)	(4.4%)
Teacher Retirement System	\$4,038.1	\$3,797.4	(\$240.8)	(6.0%)
Optional Retirement Program	294.2	247.9	(46.3)	(15.7)
Higher Education Employees Group Insurance Contributions	1,068.3	969.0	(99.3)	(9.3)
Retirement and Group Insurance	61.8	63.6	1.8	2.9
Social Security and Benefit Replacement Pay	560.4	597.5	37.2	6.6
Subtotal, Employee Benefits	\$6,022.8	\$5,675.4	(\$347.4)	(5.8%)
Bond Debt Service Payments	\$7.4	\$14.6	\$7.2	97.7%
Lease Payments	5.9	5.3	(0.6)	(10.3)
Subtotal, Debt Service	\$13.3	\$19.9	\$6.6	49.7%
Less Interagency Contracts	\$205.7	\$82.6	(\$123.1)	(59.8%)
Total Article III – Agencies of Education	\$76,441.5	\$75,597.6	(\$843.9)	(1.1%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

EDUCATION

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 19
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: EDUCATION**

IN MILLIONS AGENCY	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
Public Education				
Texas Education Agency	\$30,306.9	\$33,559.6	\$3,252.7	10.7%
School for the Blind and Visually Impaired	29.2	29.2	(0.1)	(0.2)
School for the Deaf	36.6	36.2	(0.3)	(0.9)
Subtotal, Public Education	\$30,372.6	\$33,625.0	\$3,252.3	10.7%
Public Higher Education				
General Academic Institutions	\$6,130.3	\$5,824.7	(\$305.6)	(5.0%)
Health-related Institutions	2,636.8	2,328.5	(308.3)	(11.7)
Texas A&M Service Agencies	364.0	304.4	(59.6)	(16.4)
Higher Education Coordinating Board	1,463.1	1,130.9	(332.2)	(22.7)
Higher Education Fund	525.0	525.0	0.0	NA
Two-Year Institutions				
Public Community/Junior Colleges	\$1,752.0	\$1,714.7	(\$37.3)	(2.1%)
Lamar Lower-level Institutions	69.1	65.0	(4.1)	(5.9)
Texas State Technical Colleges	174.0	162.0	(12.0)	(6.9)
Subtotal, Two-Year Institutions	\$1,995.2	\$1,941.7	(\$53.4)	(2.7%)
Subtotal, Higher Education	\$13,114.4	\$12,055.2	(\$1,059.2)	(8.1%)
Teacher Retirement System	\$3,910.4	\$3,640.7	(\$269.7)	(6.9%)
Optional Retirement Program	294.2	247.9	(46.3)	(15.7)
Higher Education Employees Group Insurance Contributions	1,067.0	967.6	(99.4)	(9.3)

EDUCATION

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 19
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: EDUCATION (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Retirement and Group Insurance	\$51.6	\$54.1	\$2.5	4.8%
Social Security and Benefit Replacement Pay	539.2	576.0	36.8	6.8
Subtotal, Employee Benefits	5,862.4	5,486.3	(376.1)	(6.4)
Bond Debt Service Payments	7.1	14.2	7.1	100.3
Lease Payments	5.9	5.3	(0.6)	(10.3)
Subtotal, Debt Service	\$13.0	\$19.5	\$6.5	50.2%
Total Article III – Agencies of Education	\$49,362.4	\$51,186.0	\$1,823.6	3.7%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

JUDICIARY

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for the Judiciary total \$643.1 million for the 2012–13 biennium, which is a decrease of \$30.8 million, or 4.6 percent, from the 2010–11 biennium (Table 20).

General Revenue Funds and General Revenue–Dedicated Funds total \$435.2 million, which is a decrease of \$54.7 million, or 11.2 percent, from the 2010–11 biennium (Table 21).

TABLE 20
ALL FUNDS: JUDICIARY

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Supreme Court of Texas	\$61.5	\$56.9	(\$4.7)	(7.6%)
Court of Criminal Appeals	30.2	27.1	(3.1)	(10.3)
First Court of Appeals District, Houston	7.6	7.5	(0.1)	(1.6)
Second Court of Appeals District, Fort Worth	5.8	5.7	(0.1)	(1.7)
Third Court of Appeals District, Austin	5.0	5.0	(0.1)	(1.5)
Fourth Court of Appeals District, San Antonio	5.8	5.7	(0.1)	(1.4)
Fifth Court of Appeals District, Dallas	10.4	10.2	(0.1)	(1.4)
Sixth Court of Appeals District, Texarkana	2.7	2.7	(0.0)	(1.6)
Seventh Court of Appeals District, Amarillo	3.4	3.3	(0.0)	(1.4)
Eighth Court of Appeals District, El Paso	2.8	2.7	(0.0)	(1.5)
Ninth Court of Appeals District, Beaumont	3.4	3.3	(0.1)	(1.5)
Tenth Court of Appeals District, Waco	2.7	2.7	(0.0)	(1.5)
Eleventh Court of Appeals District, Eastland	2.7	2.7	(0.0)	(1.4)
Twelfth Court of Appeals District, Tyler	2.8	2.7	(0.0)	(1.6)
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	5.1	5.0	(0.1)	(1.4)
Fourteenth Court of Appeals District, Houston	7.6	7.5	(0.1)	(1.5)

JUDICIARY

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 20
ALL FUNDS: JUDICIARY (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Office of Court Administration, Texas Judicial Council	\$97.4	\$91.0	(\$6.5)	(6.6%)
Office of Capital Writs	1.0	1.8	0.8	80.0
Office of the State Prosecuting Attorney	0.9	0.8	(0.1)	(13.0)
State Law Library	2.2	1.7	(0.5)	(21.6)
State Commission on Judicial Conduct	1.9	1.9	(0.0)	(0.8)
Judiciary Section, Comptroller's Department	290.6	285.7	(4.9)	(1.7)
Subtotal, The Judiciary	\$553.5	\$533.5	(\$20.0)	(3.6%)
Retirement and Group Insurance	\$111.7	\$99.9	(\$11.8)	(10.5%)
Social Security and Benefit Replacement Pay	20.0	20.1	0.1	0.4
Subtotal, Employee Benefits	\$131.7	\$120.0	(\$11.7)	(8.9%)
Lease Payments	\$4.9	\$4.6	(\$0.4)	(7.6%)
Subtotal, Debt Service	\$4.9	\$4.6	(\$0.4)	(7.6%)
Less Interagency Contracts	\$16.1	\$14.9	(\$1.2)	(7.5%)
Total Article IV – The Judiciary	\$673.9	\$643.1	(\$30.8)	(4.6%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

JUDICIARY

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 21
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: JUDICIARY

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Supreme Court of Texas	\$33.2	\$9.9	(\$23.3)	(70.1%)
Court of Criminal Appeals	9.5	9.3	(0.2)	(2.0)
First Court of Appeals District, Houston	6.9	6.8	(0.1)	(1.5)
Second Court of Appeals District, Fort Worth	5.2	5.1	(0.1)	(1.5)
Third Court of Appeals District, Austin	4.6	4.5	(0.1)	(1.5)
Fourth Court of Appeals District, San Antonio	5.3	5.2	(0.1)	(1.5)
Fifth Court of Appeals District, Dallas	9.5	9.4	(0.1)	(1.5)
Sixth Court of Appeals District, Texarkana	2.5	2.5	(0.0)	(1.5)
Seventh Court of Appeals District, Amarillo	3.1	3.1	(0.0)	(1.5)
Eighth Court of Appeals District, El Paso	2.5	2.5	(0.0)	(1.5)
Ninth Court of Appeals District, Beaumont	3.1	3.1	(0.0)	(1.5)
Tenth Court of Appeals District, Waco	2.5	2.5	(0.0)	(1.5)
Eleventh Court of Appeals District, Eastland	2.5	2.5	(0.0)	(1.5)
Twelfth Court of Appeals District, Tyler	2.6	2.5	(0.0)	(1.5)
Thirteenth Court of Appeals District, Corpus Christi-Edinburg	4.6	4.5	(0.1)	(1.5)
Fourteenth Court of Appeals District, Houston	7.0	6.9	(0.1)	(1.5)
Office of Court Administration, Texas Judicial Council	87.3	82.1	(5.2)	(6.0)
Office of Capital Writs	1.0	1.8	0.8	80.0
Office of the State Prosecuting Attorney	0.8	0.7	(0.1)	(11.1)
State Law Library	2.1	1.7	(0.4)	(20.3)
State Commission on Judicial Conduct	1.9	1.9	(0.0)	(0.8)
Judiciary Section, Comptroller's Department	167.8	151.1	(16.7)	(9.9)
Subtotal, The Judiciary	365.4	319.4	(46.0)	(12.6)

JUDICIARY

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 21
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: JUDICIARY (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Retirement and Group Insurance	\$104.8	\$96.5	(\$8.3)	(7.9%)
Social Security and Benefit Replacement Pay	14.7	14.7	0.0	0.2
Subtotal, Employee Benefits	\$119.5	\$111.2	(\$8.3)	(6.9%)
Lease Payments	\$4.9	\$4.6	(\$0.4)	(7.6%)
Subtotal, Debt Service	\$4.9	\$4.6	(\$0.4)	(7.6%)
Total Article IV – The Judiciary	\$489.9	\$435.2	(\$54.7)	(11.2%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

PUBLIC SAFETY AND CRIMINAL JUSTICE

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Public Safety and Criminal Justice total \$11.4 billion for the 2012–13 biennium, which is a decrease of \$643.2 million, or 5.3 percent, from the 2010–11 biennium (Table 22).

General Revenue Funds and General Revenue–Dedicated Funds total \$8.4 billion, which is a decrease of \$333.0 million, or 3.8 percent, from the 2010–11 biennium (Table 23).

TABLE 22
ALL FUNDS: PUBLIC SAFETY AND CRIMINAL JUSTICE

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Adjutant General's Department	\$212.8	\$124.1	(\$88.7)	(41.7%)
Alcoholic Beverage Commission	86.4	84.9	(1.5)	(1.8)
Department of Criminal Justice	6,194.0	6,092.9	(101.1)	(1.6)
Commission on Fire Protection	4.5	3.9	(0.6)	(13.9)
Commission on Jail Standards	2.0	1.9	(0.2)	(9.7)
Juvenile Probation Commission	332.4	325.4	(7.0)	(2.1)
Commission on Law Enforcement Officer Standards and Education	6.5	5.6	(0.9)	(14.0)
Department of Public Safety	2,988.6	2,783.2	(205.5)	(6.9)
Youth Commission	455.9	339.0	(116.9)	(25.6)
Subtotal, Public Safety and Criminal Justice	\$10,283.3	\$9,760.9	(\$522.4)	(5.1%)
Retirement and Group Insurance	\$1,136.6	\$1,121.0	(\$15.6)	(1.4%)
Social Security and Benefit Replacement Pay	329.5	318.0	(11.4)	(3.5)
Subtotal, Employee Benefits	\$1,466.1	\$1,439.1	(\$27.0)	(1.8%)

PUBLIC SAFETY AND CRIMINAL JUSTICE

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 22
ALL FUNDS: PUBLIC SAFETY AND CRIMINAL JUSTICE (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Bond Debt Service Payments	\$475.5	\$352.9	(\$122.6)	(25.8%)
Lease Payments	4.0	3.9	(0.1)	(3.2)
Subtotal, Debt Service	\$479.6	\$356.8	(\$122.8)	(25.6%)
Less Interagency Contracts	\$155.0	\$126.0	(\$29.0)	(18.7%)
Total Article V – Public Safety and Criminal Justice	\$12,073.9	\$11,430.8	(\$643.2)	(5.3%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

PUBLIC SAFETY AND CRIMINAL JUSTICE

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 23
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: PUBLIC SAFETY AND CRIMINAL JUSTICE

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Adjutant General's Department	\$30.0	\$26.5	(\$3.5)	(11.8%)
Alcoholic Beverage Commission	84.5	83.8	(0.7)	(0.8)
Department of Criminal Justice	5,902.7	5,880.7	(21.9)	(0.4)
Commission on Fire Protection	4.4	3.8	(0.6)	(14.1)
Commission on Jail Standards	2.0	1.8	(0.2)	(10.0)
Juvenile Probation Commission	290.4	291.5	1.1	0.4
Commission on Law Enforcement Officer Standards and Education	5.7	4.4	(1.3)	(22.5)
Department of Public Safety	290.7	237.1	(53.6)	(18.4)
Youth Commission	397.2	313.1	(84.1)	(21.2)
Subtotal, Public Safety and Criminal Justice	\$7,007.7	\$6,842.8	(\$164.9)	(2.4%)
Retirement and Group Insurance	\$945.0	\$913.9	(\$31.1)	(3.3%)
Social Security and Benefit Replacement Pay	266.7	252.6	(14.2)	(5.3)
Subtotal, Employee Benefits	\$1,211.7	\$1,166.4	(\$45.3)	(3.7%)
Bond Debt Service Payments	\$472.4	\$349.7	(\$122.7)	(26.0%)
Lease Payments	4.0	3.9	(0.1)	(3.2)
Subtotal, Debt Service	\$476.4	\$353.6	(\$122.8)	(25.8%)
Total Article V – Public Safety and Criminal Justice	\$8,695.8	\$8,362.8	(\$333.0)	(3.8%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

NATURAL RESOURCES

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Natural Resources total \$3.2 billion for 2012–13 biennium, which is a decrease of \$490.6 million, or 13.4 percent, from the 2010–11 biennium (Table 24).

General Revenue Funds and General Revenue–Dedicated Funds total \$1.7 billion, which is a decrease of \$506.1 million, or 23.3 percent, from the 2010–11 biennium (Table 25).

TABLE 24
ALL FUNDS: NATURAL RESOURCES

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Department of Agriculture	\$915.6	\$987.8	\$72.2	7.9%
Animal Health Commission	29.9	30.1	0.2	0.6
Commission on Environmental Quality	997.7	696.3	(301.4)	(30.2)
General Land Office and Veterans' Land Board	222.4	157.4	(65.1)	(29.3)
Parks and Wildlife Department	716.8	516.6	(200.2)	(27.9)
Railroad Commission	155.1	133.6	(21.6)	(13.9)
Soil and Water Conservation Board	55.6	40.1	(15.5)	(27.9)
Water Development Board	147.5	125.7	(21.8)	(14.8)
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	182.9	213.3	30.4	16.6
Subtotal, Natural Resources	\$3,423.5	\$2,900.8	(\$522.7)	(15.3%)
Retirement and Group Insurance	\$203.3	\$205.3	\$2.0	1.0%
Social Security and Benefit Replacement Pay	72.1	68.5	(3.7)	(5.1)
Subtotal, Employee Benefits	\$275.5	\$273.8	(\$1.7)	(0.6%)

NATURAL RESOURCES

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 24
ALL FUNDS: NATURAL RESOURCES (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Bond Debt Service Payments	\$12.8	\$18.4	\$5.7	44.4%
Lease Payments	7.8	7.0	(0.9)	(10.9)
Subtotal, Debt Service	\$20.6	\$25.4	\$4.8	23.4%
Less Interagency Contracts	\$70.5	\$41.5	(\$29.0)	(41.1%)
Total Article VI – Natural Resources	\$3,649.0	\$3,158.4	(\$490.6)	(13.4%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

NATURAL RESOURCES

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 25
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: NATURAL RESOURCES**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Department of Agriculture	\$142.9	\$98.1	(\$44.8)	(31.3%)
Animal Health Commission	20.5	22.3	1.8	8.6
Commission on Environmental Quality	862.4	599.6	(262.8)	(30.5)
General Land Office and Veterans' Land Board	41.8	22.8	(19.0)	(45.4)
Parks and Wildlife Department	504.6	391.7	(112.8)	(22.4)
Railroad Commission	113.8	111.4	(2.4)	(2.1)
Soil and Water Conservation Board	42.8	28.1	(14.7)	(34.4)
Water Development Board	55.8	38.8	(17.0)	(30.5)
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	137.0	99.8	(37.1)	(27.1)
Subtotal, Natural Resources	\$1,921.7	\$1,412.6	(\$509.0)	(26.5%)
Retirement and Group Insurance	\$171.9	\$173.2	\$1.3	0.7%
Social Security and Benefit Replacement Pay	57.4	54.3	(3.1)	(5.5)
Subtotal, Employee Benefits	\$229.3	\$227.4	(\$1.9)	(0.8%)
Bond Debt Service Payments	\$11.1	\$16.7	\$5.6	50.6%
Lease Payments	7.8	7.0	(0.9)	(10.9)
Subtotal, Debt Service	\$19.0	\$23.7	\$4.8	25.2%
Total Article VI – Natural Resources	\$2,169.9	\$1,663.8	(\$506.1)	(23.3%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

BUSINESS AND ECONOMIC DEVELOPMENT

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Business and Economic Development total \$24.4 billion for the 2012–13 biennium, which is an increase of \$1.2 billion, or 5.0 percent, from the 2010–11 biennium (Table 26).

General Revenue Funds and General Revenue–Dedicated Funds total \$987.1 million, which is an increase of \$19.0 million, or 2.0 percent from the 2010–11 biennium (Table 27).

TABLE 26
ALL FUNDS: BUSINESS AND ECONOMIC DEVELOPMENT

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Department of Housing and Community Affairs	\$2,756.8	\$379.5	(\$2,377.3)	(86.2)%
Texas Lottery Commission	450.8	379.1	(71.7)	(15.9)
Department of Motor Vehicles	281.9	280.6	(1.4)	(0.5)
Texas Department of Rural Affairs	839.0	675.2	(163.8)	(19.5)
Department of Transportation	15,924.9	19,812.2	3,887.3	24.4
Texas Workforce Commission	2,402.8	2,212.7	(190.1)	(7.9)
Reimbursements to the Unemployment Compensation Benefit Account	62.4	55.9	(6.5)	(10.4)
Subtotal, Business and Economic Development	\$22,718.7	\$23,795.2	\$1,076.5	4.7%
Retirement and Group Insurance	\$472.3	\$527.0	\$54.7	11.6%
Social Security and Benefit Replacement Pay	131.3	134.9	3.6	2.7
Subtotal, Employee Benefits	\$603.6	\$661.9	\$58.3	9.7%

BUSINESS AND ECONOMIC DEVELOPMENT

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 26
ALL FUNDS: BUSINESS AND ECONOMIC DEVELOPMENT (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Bond Debt Service Payments	\$17.4	\$25.8	\$8.4	48.4%
Lease Payments	2.3	2.3	0.1	4.1
Subtotal, Debt Service	\$19.6	\$28.1	\$8.5	43.3%
Less Interagency Contracts	\$139.2	\$117.0	(\$22.2)	(16.0%)
Total Article VII – Business and Economic Development	\$23,202.8	\$24,368.3	\$1,165.5	5.0%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

BUSINESS AND ECONOMIC DEVELOPMENT

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 27
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: BUSINESS AND ECONOMIC DEVELOPMENT

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Department of Housing and Community Affairs	\$46.5	\$16.3	(\$30.3)	(65.0%)
Texas Lottery Commission	450.8	379.1	(71.7)	(15.9)
Department of Motor Vehicles	31.4	29.8	(1.6)	(5.1)
Texas Department of Rural Affairs	23.0	10.1	(12.9)	(56.2)
Department of Transportation	55.7	248.0	192.3	345.5
Texas Workforce Commission	299.2	234.8	(64.4)	(21.5)
Reimbursements to the Unemployment Compensation Benefit Account	19.3	17.3	(2.0)	(10.1)
Subtotal, Business and Economic Development	\$926.0	\$935.5	\$9.5	1.0%
Retirement and Group Insurance	\$17.0	\$18.3	\$1.3	7.4%
Social Security and Benefit Replacement Pay	6.0	5.9	(0.1)	(2.2)
Subtotal, Employee Benefits	\$23.1	\$24.2	\$1.1	4.9%
Bond Debt Service Payments	\$16.8	\$25.1	\$8.3	49.2%
Lease Payments	2.3	2.3	0.1	4.1
Subtotal, Debt Service	\$19.1	\$27.4	\$8.4	43.8%
Total Article VII – Business and Economic Development	\$968.1	\$987.1	\$19.0	2.0%

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

REGULATORY

2012–13 BIENNIAL RECOMMENDATIONS

All Funds for Regulatory total \$696.6 million for the 2012–13 biennium, which is a decrease of \$102.1 million, or 12.8 percent, from the 2010–11 biennium (Table 28).

General Revenue Funds and General Revenue–Dedicated Funds total \$666.9 million, which is a decrease of \$72.3 million, or 9.8 percent, from the 2010–11 biennium (Table 29).

TABLE 28
ALL FUNDS: REGULATORY

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
State Office of Administrative Hearings	\$18.7	\$20.5	\$1.8	9.8%
Board of Chiropractic Examiners	1.2	1.2	(0.0)	(0.5)
Texas State Board of Dental Examiners	4.9	4.4	(0.5)	(10.3)
Funeral Service Commission	1.5	1.5	(0.1)	(3.8)
Board of Professional Geoscientists	1.3	1.2	(0.1)	(10.2)
Health Professions Council	3.3	1.7	(1.6)	(47.6)
Office of Injured Employee Counsel	15.5	15.5	0.0	NA
Department of Insurance	251.3	226.1	(25.2)	(10.0)
Office of Public Insurance Counsel	2.1	2.1	(0.1)	(3.3)
Board of Professional Land Surveying	0.9	0.9	(0.0)	(0.1)
Department of Licensing and Regulation	48.6	46.9	(1.8)	(3.6)
Texas Medical Board	22.3	22.7	0.4	1.7
Texas Board of Nursing	18.6	18.6	(0.0)	(0.2)
Optometry Board	1.0	0.9	(0.0)	(2.8)
Board of Pharmacy	10.8	10.3	(0.5)	(4.7)
Executive Council of Physical Therapy & Occupational Therapy Examiners	2.1	2.2	0.2	9.3

REGULATORY

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 28
ALL FUNDS: REGULATORY (CONTINUED)**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Board of Plumbing Examiners	\$4.6	\$4.3	(\$0.3)	(5.7%)
Board of Podiatric Medical Examiners	0.5	0.5	0.0	3.4
Board of Examiners of Psychologists	1.8	1.6	(0.2)	(9.9)
Racing Commission	17.2	18.6	1.3	7.8
Real Estate Commission	15.5	14.5	(0.9)	(5.9)
Residential Construction Commission	3.1	0.0	(3.1)	(100.0)
Securities Board	13.1	13.7	0.6	4.7
Public Utility Commission of Texas	248.7	178.9	(69.9)	(28.1)
Office of Public Utility Counsel	3.3	3.0	(0.3)	(10.0)
Board of Veterinary Medical Examiners	1.9	1.9	0.0	1.1
Subtotal, Regulatory	\$713.9	\$613.8	(\$100.1)	(14.0%)
Retirement and Group Insurance	\$71.5	\$74.4	\$2.9	4.1%
Social Security and Benefit Replacement Pay	26.3	26.0	(0.3)	(1.1)
Subtotal, Employee Benefits	\$97.8	\$100.4	\$2.6	2.7%
Lease Payments	\$3.8	\$2.6	(\$1.3)	(33.4%)
Subtotal, Debt Service	\$3.8	\$2.6	(\$1.3)	(33.4%)
Less Interagency Contracts	\$16.8	\$20.1	\$3.3	19.4%
Total Article VIII – Regulatory	\$798.7	\$696.6	(\$102.1)	(12.8%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.

REGULATORY

2012–13 BIENNIAL RECOMMENDATIONS

**TABLE 29
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: REGULATORY**

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
State Office of Administrative Hearings	\$6.6	\$6.6	(\$0.0)	(0.3%)
Board of Chiropractic Examiners	1.1	1.1	(0.0)	(0.0)
Texas State Board of Dental Examiners	4.6	4.1	(0.5)	(10.8)
Funeral Service Commission	1.4	1.4	(0.1)	(4.1)
Board of Professional Geoscientists	1.3	1.2	(0.1)	(10.2)
Health Professions Council	0.0	0.0	0.0	NA
Office of Injured Employee Counsel	15.5	15.5	0.0	NA
Department of Insurance	200.2	201.7	1.5	0.7
Office of Public Insurance Counsel	2.0	1.7	(0.4)	(17.5)
Board of Professional Land Surveying	0.9	0.9	(0.0)	(0.1)
Department of Licensing and Regulation	46.8	45.1	(1.8)	(3.8)
Texas Medical Board	22.2	22.6	0.4	1.7
Texas Board of Nursing	16.3	16.3	(0.0)	(0.2)
Optometry Board	0.9	0.8	(0.0)	(3.8)
Board of Pharmacy	10.8	10.3	(0.5)	(4.7)
Executive Council of Physical Therapy & Occupational Therapy Examiners	1.9	2.1	0.2	10.1
Board of Plumbing Examiners	4.5	4.3	(0.3)	(5.6)
Board of Podiatric Medical Examiners	0.5	0.5	0.0	3.9
Board of Examiners of Psychologists	1.6	1.4	(0.2)	(10.7)
Racing Commission	17.2	18.6	1.3	7.8
Real Estate Commission	15.1	14.2	(0.9)	(6.1)
Residential Construction Commission	3.1	0.0	(3.1)	(100.0)
Securities Board	13.1	13.7	0.6	4.7

REGULATORY

2012–13 BIENNIAL RECOMMENDATIONS

TABLE 29
GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS: REGULATORY (CONTINUED)

IN MILLIONS	ESTIMATED/ BUDGETED 2010–11	RECOMMENDED 2012–13	BIENNIAL CHANGE	PERCENTAGE CHANGE
AGENCY				
Public Utility Commission of Texas	\$246.1	\$176.6	(\$69.5)	(28.2%)
Office of Public Utility Counsel	3.3	3.0	(0.3)	(10.0)
Board of Veterinary Medical Examiners	1.9	1.9	0.0	1.1
Subtotal, Regulatory	\$639.1	\$565.4	(\$73.6)	(11.5%)
Retirement and Group Insurance	\$70.7	\$73.6	\$2.9	4.1%
Social Security and Benefit Replacement Pay	25.6	25.3	(0.3)	(1.1)
Subtotal, Employee Benefits	\$96.3	\$98.9	\$2.6	2.7%
Lease Payments	\$3.8	\$2.6	(\$1.3)	(33.4%)
Subtotal, Debt Service	\$3.8	\$2.6	(\$1.3)	(33.4%)
Total Article VIII – Regulatory	\$739.2	\$666.9	(\$72.3)	(9.8%)

NOTE: Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table totals may not sum due to rounding.