

Rider Comparison Packet

Conference Committee on House Bill 1

2016-17 General Appropriations Bill

Article VII – Business and Economic Development

ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT
362 Texas Lottery Commission
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15. **Unexpended Balances Between Biennia and Capital Authority: Automated Charitable Bingo System.** Included in the amounts appropriated above in Strategy B.1.1, Bingo Licensing, are unexpended and unobligated balances and capital budget authority remaining as of August 31, 2015 (not to exceed \$150,000 in General Revenue) from appropriations made to the Texas Lottery Commission in Strategy B.1.1, Bingo Licensing, for the Automated Charitable Bingo System Redesign capital budget project and are appropriated for the fiscal year beginning September 1, 2015, for the same purpose.

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7. **Department of Motor Vehicles Austin Headquarters.** Out of amounts appropriated above to the Department of Motor Vehicles in fiscal year 2017, \$11,896,998 in General Revenue Funds is to be used for the purposes of acquiring and maintaining new leased facilities for the relocation and consolidation of the Department of Motor Vehicles' Austin, Texas, headquarters and other department offices and regional facilities located in Austin, Texas.

ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT
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14. Reporting Requirements.

- a. **Trade Transportation Activities.** The Department of Transportation shall provide a report to the department's border district legislators and to the respective metropolitan planning organizations on the department's trade transportation activities in such border districts during the 2016-17 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.
- b. **Cash Forecast.** In addition to other information that might be requested by the Legislative Budget Board, the Department of Transportation shall submit to the Legislative Budget Board, in the format prescribed by the Legislative Budget Board, a monthly cash forecast 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 immediately notify the Legislative Budget Board and the Governor in writing specifying the affected funds and the reason for the anticipated change. The monthly cash forecast report shall include detailed explanations of the causes and effects of current and anticipated fluctuations in the cash balance.
- c. **Project Status Report.** 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, airport projects, rail projects, toll road projects, turnpike projects, toll authorities, regional mobility authorities, and toll road conversion 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 within which the project is located shall be notified on the status of the project and how other projects in any district would be affected.

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- b. **Cash Forecast.** In addition to other information that might be requested by the Legislative Budget Board, the Department of Transportation shall submit to the Legislative Budget Board, in the format prescribed by the Legislative Budget Board, a monthly cash forecast 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 immediately notify the Legislative Budget Board and the Governor in writing specifying the affected funds and the reason for the anticipated change. The monthly cash forecast report shall include detailed explanations of the causes and effects of current and anticipated fluctuations in the cash balance.
- c. **Project Status Report.** 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, airport projects, rail projects, toll road projects, turnpike projects, toll authorities, regional mobility authorities, and toll road conversion 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 within which the project is located shall be notified on the status of the project and how other projects in any district would be affected.

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d. Toll Project, Rail Project, and Toll Project Entities.

The Department of Transportation shall provide to each member of the House and Senate, unless a member requests it not be provided, notification of:

- (1) all rail projects, toll road projects, and turnpike projects included in the draft Unified Transportation Program located within each member of the House and Senate's district no later than 10 days after being identified and at least 2 business days prior to public release of the draft Unified Transportation Program;
- (2) the receipt of an application requesting approval to create a regional mobility authority or regional tollway authority located within each member of the House and Senate's district no later than 10 days after receipt of an application and of the Transportation Commission's consideration of an application no later than 10 days prior to commission action; and
- (3) any toll authority or regional mobility authority board member who discloses to the department that the board member owns or participates in any holding included in a proposed project immediately after the department receives that information.

e. Public Transportation Activities. The Department of Transportation shall develop and submit an annual report to the Legislature no later than January 1, each fiscal year 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 service effectiveness, such as passengers per revenue mile. In order to meet the mandates of Chapter 461, Transportation Code, relating to the coordination of public transportation and to implement the legislative intent of §461.001, Transportation Code, the Department of Transportation is directed to engage the services of the Texas A&M

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- (1) all rail projects, toll road projects, and turnpike projects included in the draft Unified Transportation Program located within each member of the House and Senate's district no later than 10 days after being identified and at least 2 business days prior to public release of the draft Unified Transportation Program;
- (2) the receipt of an application requesting approval to create a regional mobility authority or regional tollway authority located within each member of the House and Senate's district no later than 10 days after receipt of an application and of the Transportation Commission's consideration of an application no later than 10 days prior to commission action;
- (3) any toll authority or regional mobility authority board member within each member of the House and Senate's district who discloses to the department that the board member owns or participates in any holding included in a proposed project immediately after the department receives that information; and
- (4) the receipt of written notification for a proposed passenger rail or toll road project within each member of the House and Senate's district, whether or not it involves any state or federal funding no later than 10 days after receipt.

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Transportation Institute, or any entity that the Department of Transportation deems appropriate, to maintain an inventory of all public transportation providers in the state to determine the types and levels of services being provided by each of them and the extent to which those providers can assist the state in meeting the mandates of the statute.

- f. **State Transportation Improvement Program.** For each fiscal year in the biennium, the Department of Transportation shall provide a report, with results statewide by district, on the percentage of projects listed individually or by reference in the State Transportation Improvement Program (STIP) that were let on or before the letting date provided in the STIP.
- g. **Electronic Format.** All reports to the Legislature outlined in this Rider and elsewhere in this Act relating to Toll Road Projects must be delivered to the Legislature in electronic formats and, if requested, in paper format.
- h. **Federal Funds Reporting Requirement.**
 - (1) The Department of Transportation shall provide to the Legislative Budget Board and the Governor:
 - (A) written notification of any increases or decreases in the amounts of federal funds estimated to be available to the Department of Transportation for the 2016-17 biennium within 10 business days of the date upon which the Department of Transportation is notified of such increases or decreases; and
 - (B) written notification outlining:
 - i. the use and projected impacts of any additional federal funds available to the Department of Transportation above amounts estimated for the 2016-17 biennium; and/or

source, and service effectiveness, such as passengers per revenue mile. In order to meet the mandates of Chapter 461, Transportation Code, relating to the coordination of public transportation and to implement the legislative intent of §461.001, Transportation Code, the Department of Transportation is directed to engage the services of the Texas A&M Transportation Institute, or any entity that the Department of Transportation deems appropriate, to maintain an inventory of all public transportation providers in the state to determine the types and levels of services being provided by each of them and the extent to which those providers can assist the state in meeting the mandates of the statute.

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 - (A) written notification of any increases or decreases in the amounts of federal funds estimated to be available to the Department of Transportation for the 2016-17 biennium within 10 business days of the date upon which the Department of Transportation is notified of such increases or decreases; and
 - (B) written notification outlining:

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- ii. the Department of Transportation's plan for addressing any reductions in federal funds, including federally-mandated funding rescissions.
- (2) The Department of Transportation shall provide to the Legislative Budget Board and the Governor any documentation required by the U.S. Department of Transportation, Federal Highway Administration regarding the Department of Transportation's proposed use of additional federal funds and/or proposed actions to address federal funds reductions, including federally-mandated funding rescissions, as soon as possible prior to submitting the required documentation to the U.S. Department of Transportation, Federal Highway Administration.
- i. **Toll Project Revenue and Funds Report.** Using funds appropriated above, the Department of Transportation shall submit to the Legislative Budget Board, in the format prescribed by the Legislative Budget Board, an annual report of all state toll project revenues received and any other related funds that are deposited outside of the state treasury, including the purpose and use of such funds by the department. The report shall be submitted no later than November 1, in each year of the biennium.
- j. **Appropriations from State Highway Fund No. 006 and Proposition 12 General Obligation Bonds.** Prior to the beginning of each fiscal year, the department shall provide the Legislative Budget Board and the Governor with a detailed plan for the use of appropriations from State Highway Fund No. 006 and Proposition 12 General Obligation Bond Proceeds which includes, but is not limited to:
 - (1) each construction project's enhancement of the state's economy, traffic safety, and connectivity;
 - (2) a detailed account of the level of traffic congestion reduced by each proposed project, in districts that contain one of the 50 most congested roads; and
 - (3) a district by district analysis of pavement score targets and how proposed

- i. the use and projected impacts of any additional federal funds available to the Department of Transportation above amounts estimated for the 2016-17 biennium; and/or
- ii. the Department of Transportation's plan for addressing any reductions in federal funds, including federally-mandated funding rescissions.
- (2) The Department of Transportation shall provide to the Legislative Budget Board and the Governor any documentation required by the U.S. Department of Transportation, Federal Highway Administration regarding the Department of Transportation's proposed use of additional federal funds and/or proposed actions to address federal funds reductions, including federally-mandated funding rescissions, as soon as possible prior to submitting the required documentation to the U.S. Department of Transportation, Federal Highway Administration.
- i. **Toll Project Revenue and Funds Report.** Using funds appropriated above, the Department of Transportation shall submit to the Legislative Budget Board, in the format prescribed by the Legislative Budget Board, an annual report of all state toll project revenues received and any other related funds that are deposited outside of the state treasury, including the purpose and use of such funds by the department. The report shall be submitted no later than November 1, in each year of the biennium.
- j. **Appropriations from State Highway Fund No. 006 and Proposition 12 General Obligation Bonds.** Prior to the beginning of each fiscal year, the department shall provide the Legislative Budget Board and the Governor with a detailed plan for the use of appropriations from State Highway Fund No. 006 and Proposition 12 General Obligation Bond Proceeds which includes, but is not limited to:
 - (1) each construction project's enhancement of the state's economy, traffic safety, and connectivity;

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maintenance spending will impact pavement scores in each district.

k. Congested Road Segments.

- (1) Out of funds appropriated above, the department shall expend necessary funds to prominently post the top 100 congested road segments on its website and:
 - (A) the annual hours of travel delays and the economic value of the delays for each segment;
 - (B) a congestion mitigation plan drafted in coordination with the local Metropolitan Planning Organization which shall include, when appropriate, alternatives to highway construction; and
 - (C) at least a quarterly update of the current status in completing the mitigation plan for each road segment.
- (2) Funds shall not be distributed by the department to any district with a road segment in the top 100 congested roads until the requirements of this subsection have been met.
- 1. **Pass-through Tolling Agreements.** The Department of Transportation shall submit an annual report to the Legislative Budget Board no later than November 1 of each fiscal year, in the format prescribed by the Legislative Budget Board, providing information on all existing pass-through tolling or pass-through financing agreements of the department.

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- (2) a detailed account of the level of traffic congestion reduced by each proposed project, in districts that contain one of the 50 most congested roads; and
- (3) a district by district analysis of pavement score targets and how proposed maintenance spending will impact pavement scores in each district.

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- (1) Out of funds appropriated above, the department shall expend necessary funds to prominently post the top 100 congested road segments on its website and:
 - (A) the annual hours of travel delays and the economic value of the delays for each segment;
 - (B) a congestion mitigation plan drafted in coordination with the local Metropolitan Planning Organization which shall include, when appropriate, alternatives to highway construction; and
 - (C) at least a quarterly update of the current status in completing the mitigation plan for each road segment.
- (2) Funds shall not be distributed by the department to any district with a road segment in the top 100 congested roads until the requirements of this subsection have been met.
- 1. **Pass-through Tolling Agreements.** The Department of Transportation shall submit an annual report to the Legislative Budget Board no later than November 1 of each fiscal year, in the format prescribed by the Legislative Budget Board, providing information on all existing pass-through tolling or pass-through financing agreements of the department.

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- 44. Proposition 1 Appropriations.** Amounts appropriated above in Strategy I.1.1, Proposition 1, 2014, from State Highway Fund No. 006 - Proposition 1, 2014, reflect estimated revenue transfers to the State Highway Fund pursuant to Article III, Section 49-g(c-1) of the Texas Constitution (estimated to be \$1,216,274,000 in fiscal year 2016 and \$1,197,393,000 in fiscal year 2017) to be used for constructing, maintaining, and acquiring rights-of-way for non-tolled public roadways. The funds appropriated above in Strategy I.1.1, Proposition 1, 2014, shall be allocated for the following purposes:

 - a. 45 percent for mobility and added capacity projects in urban areas to decrease congestion and increase the safe and efficient movement of traffic (estimated to be \$547,323,300 for fiscal year 2016 and \$538,826,850 for fiscal year 2017);
 - b. 25 percent for projects that improve regional connectivity along strategic corridors in rural areas of the state (estimated to be \$304,068,500 for fiscal year 2016 and \$299,348,250 for fiscal year 2017);
 - c. 20 percent for statewide maintenance and preservation projects (estimated to be

43. Contingency for Legislation Making a One-time Allocation of a Portion of Motor Vehicles Sales Tax Revenue to the State Highway Fund. Contingent on enactment of legislation by the Eighty-fourth Legislature that amends Tax Code, Chapter 152, Subchapter G to make a one-time allocation of a portion of the motor vehicle sales tax revenue to State Highway Fund No. 006, in addition to amounts appropriated above the Texas Department of Transportation is appropriated \$1,186 million for the 2016-17 biennium in State Highway Funds made available by the legislation to address the transportation needs of the state.

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\$243,254,800 for fiscal year 2016 and \$239,478,600 for fiscal year 2017); and

- d. 10 percent for roadway safety and maintenance projects in areas of the state impacted by increased oil and gas production activity (estimated to be \$121,627,400 for fiscal year 2016 and \$119,739,300 for fiscal year 2017).

45. Lone Star Rail District. Out of amounts appropriated above to the Department of Transportation in Strategy E.1.2, Contract Rail Plan/Design, the amounts of \$2,645,000 in fiscal year 2016 and \$2,645,000 in fiscal year 2017 out of the General Revenue Fund shall be used to provide operational funding for the Lone Star Rail District.

45. Contingency for Additional Funding. Out of the amounts appropriated above to the Department of Transportation from the General Revenue Fund, amounts totaling \$500,000,000 in fiscal year 2016 and \$1,000,000,000 in fiscal year 2017, allocated to the strategies in the amounts identified below, are contingent upon on the enactment of legislation relating to increasing transparency in the operations and functions of the Texas Department of Transportation, including project expenditure, finance, and selection, by the Eighty-fourth Legislature, Regular Session, 2015:

	<u>2016</u>	<u>2017</u>
Department of Transportation:		
A.1.2, Contracted Planning and Design	\$ 21,000,000	\$ 42,000,000
A.1.3, Right-of-way Acquisition	\$ 28,000,000	\$ 56,000,000
B.1.2, New Construction Contracts	\$ 108,360,000	\$ 216,720,000

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C.1.2, New Maintenance Contracts	\$ 342,640,000	\$ 685,280,000

These General Revenue Funds are to be used by the Department of Transportation for the purposes of constructing, maintaining, and acquiring rights-of-way for non-tolled public roadways.

46. Appropriation and Capital Budget Authority: Receipts from Sale of Real Property.

- a. None of the funds appropriated above may be expended for the capital budget items listed below in subsection (b) of this section. In addition to amounts appropriated above, the Department of Transportation is appropriated receipts from the sale of Department of Transportation real property for the purposes of funding the capital budget items listed below in subsection (b) of this section. Any unexpended balances as of August 31, 2016, in appropriations made to the Department of Transportation under this section are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2016.
- b. Funds appropriated to the Department of Transportation in subsection (a) of this section may be expended only for the capital budget items shown below.

	For the Biennium
Ending	August 31, 2017
(1) Acquisition of Land and Other Real Property	\$ 400,000
(2) Construction of Buildings and Facilities	34,648,000
(3) Repair of Rehabilitation of Buildings and Facilities	64,921,500
(4) Acquisition of Information Resource Technologies	
(A) Technology Replacements and Upgrades	7,506,963

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(in addition to amounts in Rider 2, Capital Budget, subsection (b)(1), above)

(B) Mainframe Modernization (in addition to amounts in Rider 2, Capital Budget, subsection (b)(2), above)	34,889,252
(C) Modernize Portfolio and Project Management	30,520,353

- c. The Department of Transportation shall submit a quarterly report to the Legislative Budget Board, in a format prescribed by the Legislative Budget Board, summarizing the dollar amount of receipts from the sale of real property during the most recently completed fiscal quarter and the amount of funds from those receipts that the Department of Transportation has allocated or intends to allocate to any of the capital budget items in subsection (b) of this section.

46.

Limitation on Expenditures for Design-Build Contracts. The Department of Transportation is authorized to expend funds appropriated by this Act to enter into no more than three design-build contracts in each fiscal year for highway projects that have an estimated construction cost to the department of \$250,000,000 or more per highway project.
47.

Port Capital Improvements. Out of amounts appropriated above to the Department of Transportation, \$6,300,000 in each fiscal year out of the General Revenue Fund in Strategy B.1.2, New Construction Contracts, and up to \$7.4 million for the 2016-17 biennium from any available source of revenue or proceeds in Texas Mobility Fund No. 365 shall be allocated to provide funding for port capital improvement projects selected by the Port Authority Advisory Committee and approved by the Texas Transportation Commission.

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- 47. Grants to Certain Peace Officer Organizations.** The Texas Department of Transportation may not use any money appropriated under this Act to make a grant or other distribution to an association, group, union, lodge, local, or other organization, whether incorporated or unincorporated, in which peace officers participate and which exists wholly or partly to deal with employers concerning grievances, labor disputes, wages and rates of pay, hours of employment, and conditions of work if:
- (1) the organization or an employee of the organization is required to register under Chapter 305, Government Code;
 - (2) the organization employs a person for the purpose of affecting the outcome of legislation, agency rules, ordinances, or other governmental policies; or
 - (3) the organization provides legal representation to its members.
- 48. Report on the Elimination of Toll Roads.** Out of funds appropriated above, it is the intent of the Legislature that the Texas Department of Transportation conduct a study on the feasibility of eliminating toll roads and the payment of debt to accomplish this purpose. It is the intent of the Legislature that the report:
- (1) list the amount of debt service on bonds issued for each toll project in this state;
 - (2) identify, based on criteria provided by the Texas Transportation Commission, bonds that would be appropriate for accelerated or complete lump-sum payment of debt service; and
 - (3) propose a plan to eliminate all toll roads in this state, except for tolls on roads constructed, operated, or maintained only with proceeds from the issuance of bonds by a toll project entity other than the department, by methods including:

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- (A) the accelerated or complete lump-sum payment of debt service on bonds identified under Subdivision (1); or
- (B) requiring, as a condition on receipt of state financial assistance, a commitment by a toll project entity to eliminate toll collection on a project for which the financial assistance is provided.

It is the intent of the Legislature that the report be completed by September 1, 2016, and a copy be provided to the Legislative Budget Board and the standing committees of each house of the Legislature with primary jurisdiction over transportation matters.

- 48. **Limitation on Expenditures for High-speed Rail.** None of the funds appropriated above to the Department of Transportation from state funds may be used for the purposes of subsidizing or assisting in the construction of high-speed passenger rail. For the purposes of this section, high-speed rail means intercity passenger rail service that is reasonably expected to reach speeds of at least 110 miles per hour.
- 49. **Texas Border Infrastructure.** When allocating state and federal transportation funds to the Department of Transportation's districts located within 50 miles of the Texas-Mexico border, out of funds for which the department has the discretion to distribute, the Department of Transportation shall consider factors related to the movement of people and goods through the land border ports of entry within the boundaries of the state, including but not limited to the number of incoming commercial trucks and railcars, the number of incoming personal motor vehicles and buses, the weight of incoming cargo by commercial trucks, and the number of land border ports of entry.
- 50. **Allocation for Emergency and First Responder Airport Facilities.** Out of amounts appropriated above to the Department of Transportation in Strategy B.1.4, Aviation Services,

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the amount of \$3,000,000 out of the General Revenue Fund in fiscal year 2016 shall be used to assist in hangar expansion for airport facilities used by the Department of Public Safety for emergency and first responders, including facilities where Department of Public Safety aircraft are used for staging and storage purposes.

- 51. Toll Discount Programs.** Out of amounts appropriated above to the Department of Transportation in Strategy C.1.3, Contracted Routine Maintenance, out of the General Revenue Fund:
- a. the amounts of \$2,418,000 in fiscal year 2016 and \$2,645,000 in fiscal year 2017 are for the purpose of providing toll discounts to qualified veterans for use of the Central Texas Turnpike System and other toll projects operated and maintained by the Department of Transportation pursuant to toll rate policies established by the department; and
 - b. the amounts of \$18,700,000 in fiscal year 2016 and \$18,700,000 in fiscal year 2017 are for the purpose of providing toll discounts for large trucks traveling on Segments 1 - 4 of State Highway 130 and State Highway 45 Southeast pursuant to toll rate policies established by the department.

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- 33. Workforce Employment and Training Activities.** Out of amounts appropriated above in Strategy A.1.4, Employment and Community Services, the Texas Workforce Commission (TWC) is appropriated from the GR-Dedicated Fund - Employment and Training Investment Assessment Holding Fund, \$1,500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 for the purposes of workforce employment and training activities, including other initiatives enhancing job creation and retention, and economic development, as may be determined, pursuant to authority contained in Texas Labor Code, Title 4, Subtitle B. Out of these appropriated funds, TWC shall transfer \$225,000 in fiscal year 2016 and \$225,000 in fiscal year 2017 to the Texas Veterans Commission to continue funding employment programs for veterans.
- 34. Additional Skills Development Funding.** Out of amounts appropriated above in Strategy A.2.1, Skills Development, \$10,000,000 for the biennium out of General Revenue funds shall be used to provide grants to public junior colleges and public technical colleges to develop customized training programs for career and technical education courses or programs, and to finance initial costs of career and technical course or program development. Priority should be given to institutions that provide matching funds.
- 35. Sunset Contingency.** Pursuant to Government Code Chapter 325, Texas Workforce Commission was the subject of review by the Sunset Advisory Commission.
1) Funds appropriated above are contingent on such action continuing Texas Workforce Commission by the Eighty-fourth Legislature.
2) In the event that the legislature does not choose to continue the agency, the funds appropriated for fiscal year 2016, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations or to address the disposition of agency programs and operations as provided by the legislation.

- 33. Workforce Employment and Training Activities.** Out of amounts appropriated above in Strategy A.1.4, Employment and Community Services, the Texas Workforce Commission (TWC) is appropriated from the GR-Dedicated Fund - Employment and Training Investment Assessment Holding Fund, \$1,500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 for the purposes of workforce employment and training activities, including other initiatives enhancing job creation and retention, and economic development, as may be determined, pursuant to authority contained in Texas Labor Code, Title 4, Subtitle B.
- 34. Sunset Contingency.** Pursuant to Government Code Chapter 325, Texas Workforce Commission was the subject of review by the Sunset Advisory Commission and a report pertaining to the Texas Workforce Commission was delivered to the Eighty-fourth Legislature. Government Code 325.015 provides that the legislature may, by law, continue the Texas Workforce Commission for up to 12 years, if such a law is passed before the sunset date for the Texas Workforce Commission.
1) Funds appropriated above are contingent on such action continuing Texas Workforce Commission by the Eighty-fourth Legislature.
2) In the event that the legislature does not choose to continue the agency, the funds appropriated for fiscal year 2016, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations or to address the disposition of agency programs and operations as provided by the legislation.

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35. **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 the amounts stated below per fiscal year, is limited to the following advisory committees:

Rehabilitation Council of Texas	\$58,350
Elected Committee of Managers	\$16,000

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.

36. **Notification of Federal Funds Distribution.**

- a. **Redirection of General Revenue Funds.** The Texas Workforce Commission (TWC) shall notify the Legislative Budget Board and the Governor by letter 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, the effect on measures and/or full-time-equivalent positions for all affected strategies and the effect on future maintenance of effort requirements. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program. 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.
- b. **Budgeting of Additional Federal Dollars.** TWC shall notify the Legislative Budget Board and the Governor by letter at least 14 days prior to the budgeting of more than

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\$227,126,799 in fiscal year 2016 and \$228,319,957 in fiscal year 2017 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the "Method of Financing" above. Amounts noted above include any amounts expended in fiscal year 2016 or 2017 that were carried forward from the previous year's allotments.

36. Adult Education and Family Literacy Workforce Diploma Program Pilot Project. The Texas Workforce Commission is hereby authorized to use funds appropriated above in Strategy A.1.9, Adult Education and Family Literacy, to develop and implement a workforce diploma program pilot project with non-profit organizations or other private entities to provide program services designed to facilitate increased participation in adult diploma and technical training programs and more effective job placement outcomes in high demand job fields. The workforce diploma program pilot project shall include comprehensive career/college preparation program including research tools, and career readiness soft skills training; technical training; facilitated transition to employment. Federal funds appropriated for adult basic education may only be used to the extent allowable under Federal regulations. The Commission shall submit to the Legislative Budget Board and the Office of the Governor, no later than November 1, 2016, a report that includes an evaluation of the effectiveness of the pilot project detailing number of graduates and successful job placements, as well as earnings for successful graduates.

47. Adult Education and Family Literacy Workforce Diploma Program Pilot Project. The Texas Workforce Commission is hereby authorized to use funds appropriated above in Strategy A1.9, Adult Education and Family Literacy, to develop and implement a workforce diploma program pilot project with non-profit organizations or other private entities to provide program services designed to facilitate increased participation in adult diploma and technical training programs and more effective job placement outcomes in high demand job fields. The workforce diploma program pilot project shall include a graduation plan designed to lead to an accredited high school diploma; comprehensive career/college preparation program including research tools, and career readiness soft skills training; technical training; facilitated transition to employment. Federal funds appropriated for adult basic education may only be used to the extent allowable under Federal regulations. The Commission shall submit to the Legislative Budget Board and the Office of the Governor, no later than November 1, 2016, a report that includes an evaluation of the effectiveness of the pilot project detailing number of graduates and successful job placements, as well as earnings for successful graduates.

37. Vocational Rehabilitation Reporting Requirements.

- a. **Federal Reports.** The Texas Workforce Commission (TWC) shall submit the following information to the Legislative Budget Board (LBB) and the Governor no later than the date the respective report is submitted to the federal government:
 - (1) Notification of proposed State Plan amendments or waivers for Vocational Rehabilitation (CFDA 84.126). State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human

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Services, and House Public Health committees.

(2) A copy of each report or petition submitted to the federal government relating to Vocational Rehabilitation (CFDA 84.126).

(3) Any other federal reports requested by the LBB or the Governor.

b. **Federal Issues.** TWC shall notify the LBB and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the Appropriations Act.

38. Vocational Rehabilitation Maintenance of Effort (MOE) and Matching Funds Reporting Requirement. The Texas Workforce Commission (TWC) shall report quarterly to the Legislative Budget Board and the Governor on state funds used for match and maintenance of effort (MOE) for federal Vocational Rehabilitation (CFDA 84.126). Each report shall detail funds for the current fiscal year and at least the two previous fiscal years. The reports shall specify:

- a. State funds within and outside the department's budget used for match and MOE. This includes expenditures at the Department of Assistive and Rehabilitative Services.
- b. Federal Funds within and outside the department's budget matched by state funds identified in the previous section.

The reports shall be prepared in a format specified by the Legislative Budget Board.

39. Appropriation: GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043. Amounts above in Strategy D.1.3, Business Enterprises of Texas Trust Fund, are appropriated to the Texas Workforce Commission (TWC) for the purpose of establishing and

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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 D.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 to TWC. None of the funds appropriated in Strategy D.1.3, Business Enterprises of Texas Trust Fund, or through this rider may be transferred to any other strategy. TWC shall report quarterly on deposits into and expenditures out of the GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043, including identification of the purpose for the expenditure, to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

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

40.

Appropriation: Subrogation Receipts. Included in amounts appropriated above in Strategy D.1.1, Vocational Rehabilitation, are subrogation collections received during the 2016-17 biennium from vocational rehabilitation cases. Subrogation receipts collected above the amounts appropriated in each year are hereby appropriated to the agency for client services in the program from which the subrogation collections were generated (estimated to be \$0).
41.

Performance Reporting for the Business Enterprises of Texas Program. The Texas Workforce Commission shall report by October 1st of each year of the biennium, the following information to the Legislative Budget Board and the Governor:

a.

The results of the survey distributed to state host agencies on satisfaction of operational conditions such as pricing requirements, hours of operations, menu items, and product lines; and

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- b. The total cost incurred by each state host agency for the operation of Business Enterprises of Texas cafeterias, snack bars, and convenience stores. Reported costs should include the value of the space used, maintenance costs, utility costs, janitorial costs and the method of finance for each cost. An outline of the methodology that was used to determine the final estimate should also be included in the report.

The report shall be prepared in a format specified by the Legislative Budget Board and the Governor.

- 42. **Blind Endowment Trust Fund Reporting.** Out of funds appropriated above, the Department of Assistive and Rehabilitative Services (DARS) and the Texas Workforce Commission, shall submit a joint annual report by October 1 of each fiscal year to the Legislative Budget Board and the Governor that identifies donations to the Blind Endowment Fund No. 493 (Other Funds). The report shall include the intended purpose of each donation if specified by the donor, actual expenditures and uses, and remaining balances. The report shall be prepared in a format specified by the Legislative Budget Board and the Governor.

- 43. **Language Interpreter Services.** In order to compensate employees of the Texas Workforce Commission (TWC) for assuming the duty of providing interpreter services to consumers whose primary language is not English, TWC, upon written authorization of the commission, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.25 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

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interpreter services in American Sign Language.

- 44. Department of Assistive and Rehabilitative Services Partnership.** Out of funds appropriated above in Strategy D.2.2, Program Support - Other, \$16,583,471 in fiscal year 2016 and \$16,507,471 in fiscal year 2017 may be used by the Texas Workforce Commission only for the purpose of payment to the Department of Assistive and Rehabilitative Services for an interagency agreement made for the purpose of funding rehabilitative services for persons with disabilities.
- 45. Contingency for the Department of Assistive and Rehabilitative Services Program Transfer.**
- a. Amounts appropriated above in Goal D, Persons With Disabilities, include \$311,878,437 and 1,792.0 FTEs in fiscal year 2016 and \$311,705,625 and 1,792.0 FTEs in fiscal year 2017; and in Goal E, Disability Determination, include \$117,201,856 and 875.4 FTEs in fiscal year 2016 and \$117,201,856 and 875.4 FTEs in fiscal year 2017 from appropriations that are contingent on the enactment of legislation relating to the transfer of the Vocational Rehabilitation, Business Enterprises of Texas, and Disability Determination Services programs from the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission by the Eighty-fourth Legislature, Regular Session.
 - b. In the event legislation relating to the transfer of these programs is not enacted by the Eighty-fourth Legislature, Regular Session, appropriations made to the Texas Workforce Commission by this Act are reduced by \$429,080,293 and 2,667.4 FTEs in fiscal year 2016 and \$428,907,481 and 2,667.4 FTEs in fiscal year 2017 and the amounts of \$429,080,293 and 2,667.4 FTEs in fiscal year 2016 and \$428,907,481 and 2,667.4 FTEs in fiscal year 2017 are appropriated to the Department of Assistive and Rehabilitative Services.

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46. **Rapid Response Workforce Development Services.** Out of amounts appropriated above to the Texas Workforce Commission (TWC) in Strategy A.2.1, Skills Development, up to \$5,000,000 each fiscal year in General Revenue funds may be used to provide grants to public junior colleges and public technical colleges to develop customized training programs specific to business needs, training equipment that leads to certification and employment, fast track curriculum development, instructor certification, and rapid response workforce development support for growing or recruiting businesses to a rural or urban community.