Seventy-seventh Legislature, Regular Session

Text of Conference Committee Report
Senate Bill No. 1
(General Appropriations Act)
Edited as Modified by House Bills Nos. 2879 and 3343
and
Governor's Veto Proclamation
and
Appropriations Included in
House Bills Nos. 1333 and 2914
and Senate Bill No. 736

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Editor's Note: Notations are provided beside certain items to indicate vetoes or other modifications incorporated into Senate Bill No. 1, Seventy-seventh Legislature, Regular Session.

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RECAPITULATION - ALL ARTICLES
(General Revenue)

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
ARTICLE I - General Government	$ 864,217,060	$ 642,056,369
ARTICLE II - Health and Human Services	6,715,755,151	6,493,917,351
ARTICLE III - Agencies of Education	18,337,718,661	18,037,840,188
ARTICLE IV - The Judiciary	173,101,135	177,810,289
ARTICLE V - Public Safety and Criminal Justice	3,485,184,346	3,546,584,955
ARTICLE VI - Natural Resources	302,367,105	288,342,838
ARTICLE VII - Business and Economic Development	207,359,561	189,183,570
ARTICLE VIII - Regulatory	323,330,958	338,371,494
ARTICLE IX - General Provisions	150,262,491	198,319,657
ARTICLE X - The Legislature	138,990,451	151,992,348
ARTICLE XII - Tobacco Settlement Receipts	472,235,115	470,215,420
GRAND TOTAL, General Revenue	$ 31,170,522,034	$ 30,534,634,479

RECAPITULATION - ALL ARTICLES
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
ARTICLE I - General Government	$ 214,806,512	$ 174,450,328
ARTICLE II - Health and Human Services	277,966,790	283,173,354
ARTICLE III - Agencies of Education	917,882,893	929,070,295
ARTICLE IV - The Judiciary	1,075,000	1,075,000
ARTICLE V - Public Safety and Criminal Justice	58,055,909	59,072,817
ARTICLE VI - Natural Resources	508,208,082	474,931,193
ARTICLE VII - Business and Economic Development	203,100,101	193,866,687
ARTICLE VIII - Regulatory	46,497,455	45,379,672
ARTICLE IX - General Provisions	45,908,612	48,772,266
ARTICLE X - The Legislature	0	0
ARTICLE XII - Tobacco Settlement Receipts	21,375,000	21,375,000
GRAND TOTAL, General Revenue - Dedicated	$ 2,294,876,354	$ 2,231,166,612

Editor's Note: Amounts in recapitulations do not reflect vetoes or other modifications incorporated into Senate Bill No. 1, Seventy-seventh Legislature, Regular Session.

RECAPITULATION - ALL ARTICLES
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
ARTICLE I - General Government	$ 306,932,534	$ 296,856,151
ARTICLE II - Health and Human Services	10,716,734,937	10,279,111,156
ARTICLE III - Agencies of Education	2,788,171,692	2,847,569,203
ARTICLE IV - The Judiciary	0	0
ARTICLE V - Public Safety and Criminal Justice	157,991,693	104,484,515
ARTICLE VI - Natural Resources	103,336,655	106,339,951
ARTICLE VII - Business and Economic Development	3,519,522,503	3,443,033,384
ARTICLE VIII - Regulatory	2,413,760	2,413,770
ARTICLE IX - General Provisions	42,948,589	44,460,964
ARTICLE X - The Legislature	0	0
ARTICLE XII - Tobacco Settlement Receipts	0	0
GRAND TOTAL, Federal Funds	$ 17,638,052,363	$ 17,124,269,094

RECAPITULATION - ALL ARTICLES
(Other Funds)*

	For the Years Ending August 31, 2002	August 31, 2003
ARTICLE I - General Government	$ 88,342,446	$ 38,377,294
ARTICLE II - Health and Human Services	146,556,717	76,362,060
ARTICLE III - Agencies of Education	2,325,104,357	2,497,540,658
ARTICLE IV - The Judiciary	40,786,414	36,902,015
ARTICLE V - Public Safety and Criminal Justice	392,401,838	485,725,325
ARTICLE VI - Natural Resources	77,691,713	89,772,240
ARTICLE VII - Business and Economic Development	3,049,710,105	3,084,981,588
ARTICLE VIII - Regulatory	6,764,463	6,561,326
ARTICLE IX - General Provisions	48,619,706	185,093,299
ARTICLE X - The Legislature	1,687,000	1,703,000
ARTICLE XII - Tobacco Settlement Receipts	45,675,000	45,675,000
GRAND TOTAL, Other Funds	$ 6,223,339,759	$ 6,548,693,805

* Excludes interagency contracts

Editor's Note: Amounts in recapitulations do not reflect vetoes or other modifications incorporated into Senate Bill No. 1, Seventy-seventh Legislature, Regular Session.

RECAPITULATION - ALL ARTICLES
(All Funds)*

	For the Years Ending August 31, 2002	August 31, 2003
ARTICLE I - General Government	$ 1,474,298,552	$ 1,151,740,142
ARTICLE II - Health and Human Services	17,857,013,595	17,132,563,921
ARTICLE III - Agencies of Education	24,368,877,603	24,312,020,344
ARTICLE IV - The Judiciary	214,962,549	215,787,304
ARTICLE V - Public Safety and Criminal Justice	4,093,633,786	4,195,867,612
ARTICLE VI - Natural Resources	991,603,555	959,386,222
ARTICLE VII - Business and Economic Development	6,979,692,270	6,911,065,229
ARTICLE VIII - Regulatory	379,006,636	392,726,262
ARTICLE IX - General Provisions	287,739,398	476,646,186
ARTICLE X - The Legislature	140,677,451	153,695,348
ARTICLE XII - Tobacco Settlement Receipts	539,285,115	537,265,420
GRAND TOTAL, All Funds	$ 57,326,790,510	$ 56,438,763,990
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	230,092.6	230,361.9
Number of Full-Time-Equivalent Positions (FTE)- Outside the General Appropriations Act (Higher Education)	51,628.2	52,589.6
TOTAL, Number of Full-Time-Equivalent Positions (FTE)	281,720.8	282,951.5

* Excludes interagency contracts

Editor's Note: Amounts in recapitulations do not reflect vetoes or other modifications incorporated into Senate Bill No. 1, Seventy-seventh Legislature, Regular Session.

A BILL TO BE ENTITLED
AN ACT

appropriating money for the support of the Judicial, Executive and Legislative Branches of the State government, for the construction of State buildings, and for State aid to public junior colleges, for the period beginning September 1, 2001 and ending August 31, 2003, authorizing and prescribing conditions, limitations, rules and procedures for allocating and expending the appropriated funds; and declaring an emergency.

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

ARTICLE I

GENERAL GOVERNMENT

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

AIRCRAFT POOLING BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EFFICIENT AIRCRAFT TRAVEL		
To provide safe, efficient aircraft transportation upon request to state officers and employees traveling on official state business.		
A.1.1. Strategy: CENTRAL FLEET OPERATIONS	$ 2,186,810	$ 786,810
Operate a fleet of centrally scheduled aircraft to meet users' needs.		
Output (Volume):		
Number of Hours Aircraft Are Flown	3,055	2,840
Number of Flights	3,040	2,775
B. Goal: AIRCRAFT MAINTENANCE		
To provide quality and economical maintenance, fuel and oil, hangar space, and line services for state operated aircraft.		
B.1.1. Strategy: AIRCRAFT MAINTENANCE	$ 2,110,844	$ 2,110,844
Operate a state-of-the-art maintenance and avionics repair facility.		
Output (Volume):		
Number of Work Orders Completed	580	580
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 222,084	$ 222,084
Grand Total, AIRCRAFT POOLING BOARD	$ 4,519,738	$ 3,119,738
Method of Financing:		
General Revenue Fund	$ 1,400,000	$ 0

Other Funds		
Appropriated Receipts	1,635,734	1,635,734
Interagency Contracts	1,484,004	1,484,004
Subtotal, Other Funds	$ 3,119,738	$ 3,119,738
Total, Method of Financing	$ 4,519,738	$ 3,119,738
Number of Full-Time-Equivalent Positions (FTE):	41.5	41.5
Schedule of Exempt Positions:		
Executive Director, Group 2	$70,000	$70,000
Supplemental Appropriations Made in Riders:	$ 1,242,082	$ 0

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

	2002	2003
Out of the General Revenue Fund:		
a. Transportation Items		
(1) Aircraft	$ 1,400,000	$ UB
Total, Capital Budget	$ 1,400,000	$ UB

2. **Transfer Authority.** The State Aircraft Pooling Board is hereby authorized to transfer such amounts as may be necessary between appropriation Strategies A.1.1, Central Fleet Operations, and B.1.1, Aircraft Maintenance. Appropriations made in Strategy B.1.1, Aircraft Maintenance, include funding for aircraft replacement and aircraft acquisition.

3. **Unexpended Balances: Between Biennia and Fiscal Years.** In addition to amounts appropriated above, any unexpended balances as of August 31, 2001, in appropriations of Appropriated Receipts (estimated to be $1,242,082) made to the State Aircraft Pooling Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2001. This includes balances remaining in Strategy B.1.1, Aircraft Maintenance, in the Reserve for Overhaul account which consists of amounts attributed to Time Between Overhaul (TBO) hours on individual aircraft engines for major maintenance, repairs and replacements. The State Aircraft Pooling Board is hereby authorized to expend these amounts as necessary in Strategies A.1.1, Central Fleet Operations, and B.1.1, Aircraft Maintenance.

   Any unexpended balances remaining as of August 31, 2002, in appropriations made to the State Aircraft Pooling Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

4. **Revolving Fund Appropriation.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the State Aircraft Pooling Board's "Revolving Fund" to account for the expenditures, revenues and balances related to revenues from the sale of aircraft

appropriated to the State Aircraft Pooling Board for the purpose of maintenance, acquisition, repair or replacement. The expenditures, revenues and balances shall be maintained separately by the State Aircraft Pooling Board within its accounting system.

5. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Aircraft Pooling Board are made contingent on the continuation of the Aircraft Pooling Board by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

COMMISSION ON THE ARTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SECURE RESOURCES		
Secure from public and private sectors the appropriate and necessary resources for the purpose of funding the Commission on the Arts and to equitably distribute such resources.		
Outcome (Results/Impact):		
Dollar Amount of Funding Secured for the Cultural Endowment Fund (in Millions)	12	12
A.1.1. Strategy: CULTURAL ENDOWMENT FUND	$ 2,350,000	$ 350,000
Promote the Texas Cultural Endowment Fund to secure stabilized public and private funding.		
B. Goal: ARTS EDUCATION		
Ensure that arts education is recognized and utilized as a major contributor to increasing literacy and strengthening basic learning skills in Texas schools and communities.		
B.1.1. Strategy: ARTS EDUCATION	$ 976,340	$ 976,340
Provide and support arts education opportunities.		
Output (Volume):		
Number of School Districts Participating in Arts Education Programs	495	495
C. Goal: ARTS ACCESS		
Ensure that Texas citizens and visitors are aware of the value of the arts and have equitable access to quality arts programs and services.		
Outcome (Results/Impact):		
Percentage of Total Assistance Dollars Provided to Minority Applicants	36%	37%
Percentage of Total Assistance Dollars Provided to Organizations from Rural and Geographically Isolated Communities	26%	28%
C.1.1. Strategy: DISTRIBUTE DIRECT GRANTS	$ 3,022,603	$ 3,022,603 & UB
Distribute direct (non-educational) grants to nonprofit arts organizations.		
Output (Volume):		
Number of Rural and Geographically Isolated Communities Funded	190	195
Number of Minority Applicants Funded	180	180

C.1.2. Strategy: PROMOTION & PARTICIPATION Improve statewide participation in arts programs and promote and encourage the public's understanding of the arts' contribution and value.	$ 655,963	$ 670,963
Output (Volume):		
Number of Marketing Activities, Conferences and Seminars Which Promote Tourism	85	90
Total, Goal C: ARTS ACCESS	$ 3,678,566	$ 3,693,566
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 404,170	$ 404,929
Grand Total, COMMISSION ON THE ARTS	$ 7,409,076	$ 5,424,835
Method of Financing:		
General Revenue Fund	$ 5,289,070	$ 3,304,829
GR Dedicated - Commission on the Arts Operating Account No. 334	484,906	484,906
Federal Funds	665,100	665,100
Interagency Contracts	970,000	970,000
Total, Method of Financing	$ 7,409,076	$ 5,424,835
Number of Full-Time-Equivalent Positions (FTE):	19.0	19.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$70,000	$70,000
Supplemental Appropriations Made in Riders:	$ 1,307,376	$ 380,658

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Hardware	75,080	77,580
(2) Computer Software	29,300	30,400
(3) Web Application Development	69,500	67,500
(4) Server Support	$ 37,528	$ 38,578
Total, Acquisition of Information Resource Technologies	$ 211,408	$ 214,058
Total, Capital Budget	$ 211,408	$ 214,058

2. **Appropriation: Texas Cultural Endowment Fund Interest Earnings.** Included above in Strategy A.1.1, Cultural Endowment Fund, are interest earnings on money deposited in the Texas Cultural Endowment Fund and transferred for appropriation out of the Commission on the Arts Operating Account No. 334, in the amount of $350,000 each fiscal year, for the purpose of developing the Texas Cultural Endowment Fund. Any interest earnings in addition to amounts appropriated above are hereby appropriated to the agency for the same purpose for the biennium beginning September 1, 2001. Any unexpended balance of such earnings on August 31, 2002, is hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

3. **Appropriation: Texas Cultural Endowment Fund.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy A.1.1, Cultural Endowment Fund, is $2,000,000, which shall be deposited in the Texas Cultural Endowment Fund established under § 444.026, Government Code, for the biennium beginning September 1, 2001.

4. **Interagency Agreement.** Out of amounts included above in Strategy C.1.1, Distribute Direct Grants, and Strategy C.1.2, Promotion and Participation, the Commission on the Arts shall expend $1,340,000 during the biennium beginning September 1, 2001, transferred from the Texas Department of Transportation through interagency contract, to showcase the arts and cultural diversity in Texas to promote tourism.

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

6. **Texas, State of the Arts License Plates.** In addition to $134,906 appropriated each fiscal year out of the Commission on the Arts, Operating Account No. 334 and included in amounts appropriated above in B.1.1, Arts Education, and C.1.1, Distribute Direct Grants, there is hereby appropriated to the Commission on the Arts balances collected prior to the effective date of this Act (estimated to be $886,718) and revenue collected on or after September 1, 2001, (estimated to be $380,158 each fiscal year) from the sale of license plates as provided by VTCA, Transportation Code § 502.272.

   Any unexpended balances as of August 31, 2002, out of the appropriations made herein are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2002.

7. **Unexpended Balances within the Biennium.** Any unexpended balances in the appropriation made to B.1.1, Arts Education, remaining as of August 31, 2002, are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2002, for the same purpose.

8. **Unexpended Balances between the Biennia.** Any unexpended balances in the appropriation made to B.1.1, Arts Education, and C.1.1, Distribute Direct Grants, remaining as of August 31, 2001 (not to exceed $40,000 in General Revenue), are hereby appropriated to the Commission on the Arts for the biennium beginning September 1, 2001, for the same purposes.

9. **Arts Entrepreneurial Business System.** In addition to amounts appropriated above, the Commission on the Arts is hereby authorized to collect receipts from the sale of promotional items bearing the Agency's logo, estimated to be $1,000 in Appropriated Receipts for the biennium beginning September 1, 2001, for Strategy A.1.1, Cultural Endowment Fund, and Strategy C.1.1, Distribute Direct Grants.

OFFICE OF THE ATTORNEY GENERAL

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROVIDE LEGAL SERVICES		
To provide skillful and high quality legal representation, counseling, and assistance for the State of Texas, its authorized entities and employees in the lawful performance of their duties.		
Outcome (Results/Impact):		
Delinquent Revenue Collected	44,000,000	44,000,000
A.1.1. Strategy: LEGAL SERVICES	$ 60,588,977	$ 54,516,562
Respond to the legal counseling needs of the State of Texas, its authorized entities and employees by providing appropriate legal advice and answers to legal questions posed by clients. Respond to the litigation needs of the State of Texas, its authorized entities and employees through the use of appropriate pre-trial and trial actions. Implement the use of alternative dispute resolution methods in legal disputes involving the state when this course of action is in the best interest of the state. Respond to the legal counseling and litigation needs of the State of Texas in the Colonias Project.		
Output (Volume):		
Legal Hours Billed to Litigation and Counseling	879,966	879,966
Efficiencies:		
Average Cost Per Legal Hour	62.13	62.01
B. Goal: ENFORCE CHILD SUPPORT LAW		
To enforce aggressively and fairly both state and federal child support laws and regulations.		
Outcome (Results/Impact):		
Percent of All Current Child Support Amounts Due That Are Collected	65%	65%
Percent of IV-D Cases with Arrears Due in Which Any Amount Is Paid Toward Arrears	63%	63%
B.1.1. Strategy: CHILD SUPPORT ENFORCEMENT	$ 197,193,686	$ 191,240,979
Collect court-ordered child support through the use of the following four sub-strategies: establish paternity; establish child support obligations; enforce child support obligations; and receive and distribute child support monies.		
Output (Volume):		
Amount of Title IV-D Child Support Collected (in Millions)	1,194.3	1,315.7
Number of Children for Whom Paternity Has Been Established	59,709	60,399
Number of Child Support Obligations Established	51,197	54,084
Efficiencies:		
Ratio of Total Dollars Collected Per Dollar Spent	6.03	6.65
B.1.2. Strategy: STATE DISBURSEMENT UNIT	$ 26,433,239	$ 21,307,035
Operate a state disbursement unit that receives and disburses all IV-D child support payments and all non-IV-D child support payments made pursuant to court-ordered income withholding.		
Output (Volume):		
Number of Payments Processed by the SDU Vendor	12,862,180	14,150,869
Total, Goal B: ENFORCE CHILD SUPPORT LAW	$ 223,626,925	$ 212,548,014

C. Goal: CRIME VICTIMS' SERVICES		
To provide services and information to victims of crime in a caring, sensitive and efficient manner.		
Outcome (Results/Impact):		
Amount of Crime Victim Compensation Awarded	53,158,509	58,474,360
Number of Research Projects and Project Phases Completed	3	3
C.1.1. Strategy: CRIME VICTIM COMPENSATION	$ 57,381,862	$ 62,697,713
Obtain and review all claims for crime victims' compensation in accordance with state and federal regulations to determine eligibility for payment; ensure that all bills are reviewed for medical reasonableness and necessity and paid at the correct rate and that limits are not exceeded.		
Efficiencies:		
Average Number of Days to Analyze a Claim and Make an Award	100	100
C.1.2. Strategy: CRIME VICTIMS INSTITUTE	$ 342,980	$ 342,980
Study impact of crime on victims and survivors, their family members, and society at large; develop policies to assist the criminal justice and juvenile justice systems in preventing criminal victimization; evaluate the effectiveness of criminal justice and juvenile justice policies, programs and services related to crime victims and their family members; recommend changes for improving crime victim services in the state; assist the legislature in the development of legislation for improving the effectiveness of the justice systems in addressing the needs of victims and survivors.		
C.1.3. Strategy: VICTIMS ASSISTANCE	$ 29,886,559	$ 30,229,019
Provide grants and contracts to support victim-related services or assistance in the state; train local rape crisis programs and allied professionals and advocates in prevention, intervention and crisis services for sexual assault victims; certify Sexual Assault Nurse Examiners and training programs; and contract with Texas CASA, Inc., a nonprofit organization, to provide trained volunteers to be assigned by judges to advocate for abused and neglected children in the court system.		
Output (Volume):		
Total Dollars Awarded to Sexual Assault Programs	7,580,000	7,900,000
Total Number of Children Served by Court-appointed Volunteers	12,544	13,029
Total Number of Counties Served by CASA Programs	136	140
Total, Goal C: CRIME VICTIMS' SERVICES	$ 87,611,401	$ 93,269,712
D. Goal: REFER MEDICAID CRIMES		
To provide an environment free of fraud, physical abuse, and criminal neglect for Medicaid recipients and the Medicaid program.		
Outcome (Results/Impact):		
Amount of Medicaid Over-payments Identified	6,300,000	6,300,000
D.1.1. Strategy: MEDICAID INVESTIGATION	$ 2,202,832	$ 2,202,832
Conduct a statewide program of investigation and refer for prosecution all violations of laws pertaining to fraud in the administration of the Texas Medicaid Program, the provision of medical assistance, and the activities of		

providers of medical assistance under the State Medicaid Plan. Review complaints alleging abuse or neglect of patients in health care facilities receiving payments under the State Medicaid Plan.		
Output (Volume):		
Number of Investigations Concluded	257	257
E. Goal: ADMINISTRATIVE SUPPORT FOR SORM		
Provide administrative support to the State Office of Risk Management in administering state employees workers' compensation.		
E.1.1. Strategy: ADMINISTRATIVE SUPPORT FOR SORM	$ 807,909	$ 807,909
Provide administrative support to the State Office of Risk Management.		
Grand Total, OFFICE OF THE ATTORNEY GENERAL	$ 374,838,044	$ 363,345,029
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 46,922,149	$ 42,936,109
Child Support Retained Collection Account	58,492,017	53,784,590
Attorney General Debt Collection Receipts	8,300,000	8,300,000
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	2,820,581	2,820,581
Subtotal, General Revenue Fund	$ 116,534,747	$ 107,841,280
General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	70,178,600	76,249,215
AG Law Enforcement Account No. 5006	1,185,485	1,185,485
Sexual Assault Program Account No. 5010	187,693	187,693
Attorney General Volunteer Advocate Program Account No. 5036	100,335	122,795
Subtotal, General Revenue Fund - Dedicated	$ 71,652,113	$ 77,745,188
Federal Funds	168,262,495	161,451,972
Other Funds		
State Highway Fund No. 006	6,331,283	4,631,283
Appropriated Receipts	5,840,647	5,575,000
Interagency Contracts	6,216,759	6,100,306
Subtotal, Other Funds	$ 18,388,689	$ 16,306,589
Total, Method of Financing	$ 374,838,044	$ 363,345,029
Number of Full-Time-Equivalent Positions (FTE):	3,857.0	3,884.0
Schedule of Exempt Positions:		
Attorney General, Group 4	$92,217	$92,217
Supplemental Appropriations Made in Riders:	$ 7,462,635	$ 288,550

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

		2002	2003
a.	Acquisition of Information Resource Technologies		
(1)	Automated Interfaces	25,000	25,000
(2)	Client Server Technology Enhancement	60,000	60,000
(3)	Records Management and Library	110,000	0
(4)	Hardware/Software Refresh	4,920,131	2,407,650
(5)	Mainframe Refresh and Transition	326,500	331,000
(6)	PC Peripherals Enhancement	10,000	10,000
(7)	PC/Laptop Software Enhancement	40,000	25,000
(8)	Printer Enhancement	10,000	25,000
(9)	TXCSES Archive	375,000	0
(10)	Web-Based Application Development	10,000	10,000
(11)	IT Leases	3,629,000	3,629,000
(12)	Telecommunications Services and Infrastructure	$ 3,379,000	$ 2,715,000
	Total, Acquisition of Information Resource Technologies	$ 12,894,631	$ 9,237,650
b.	Acquisition of Capital Equipment and Items		
(1)	Office Furniture	$ 25,000	$ 25,000
	Total, Capital Budget	$ 12,919,631	$ 9,262,650
	Method of Financing (Capital Budget):		
	General Revenue Fund	$ 2,967,187	$ 642,105
	Federal Funds	7,569,724	6,096,849
	Child Support Retained Collection Account	2,382,720	2,523,696
	Total, Method of Financing	$ 12,919,631	$ 9,262,650

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

3. **Child Support Collections.**

   a. The Attorney General shall deposit Child Support Retained Collections in a special account in the Comptroller's Office. The account shall be called the Child Support Retained Collections Account. Child Support Retained Collections shall include the state share of funds collected by the Office of the Attorney General which were previously paid by the State as Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) or foster care payments, all child support enforcement incentive payments received from the federal government, and all revenues specifically established by statute on a fee or service-provided basis and pertaining to the Child Support Enforcement Program.

   b. Amounts earned as interest on, and allocated by the Comptroller of Public Accounts to, the Child Support Trust Fund No. 994, in excess of $808,289 in fiscal year 2002 and $808,289 in fiscal year 2003, shall be transferred monthly by the Comptroller of Public Accounts to such funds from the General Revenue Fund, and all amounts so transferred are hereby appropriated to the Attorney General for use during the 2002–03 biennium, in addition to

the amounts otherwise appropriated herein. Amounts transferred pursuant to this provision shall be shown as a separate, individual entry in the Method of Finance in all standard reports regularly utilizing a method of finance which are submitted to the Governor or the Legislative Budget Board.

c. The Attorney General is directed to accrue and leave unexpended amounts in the Child Support Retained Collections Account sufficient to be used as the initial state funding necessary for operation of the Child Support Enforcement program during fiscal year 2004. It is the intent of the Legislature that this program be self sufficient through funding from the Child Support Retained Collections Account and related Title IV-D grant funds.

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

e. The Comptroller of Public Accounts is directed to transfer and carry forward all the balances of funds in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2001, in such funds to be available for use in fiscal year 2002. Any balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account on hand as of August 31, 2002, shall be carried forward in such funds as funding sources for the appropriation for fiscal year 2003. It is the intent of the Legislature that the remaining balances in the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account as of August 31, 2003, be carried forward into fiscal year 2004 and be appropriated for fiscal year 2004 for the child support enforcement program.

f. In addition to the amounts otherwise appropriated for Strategy B.1.1, Child Support Enforcement, all funds received from the federal government as reimbursement for the costs and fees paid to counties, district or county clerks, sheriffs or constables pursuant to the provisions of Chapter 231 of the Texas Family Code are hereby appropriated to the Office of the Attorney General for use during the 2002–03 biennium.

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

5. **Reporting Requirement.** The Attorney General's Office is directed to develop and maintain separate accounting information and records on receipts and distribution of funds from the Child Support Trust Fund No. 994 and the Child Support Retained Collections Account. Such information must at a minimum identify all deposits, allocations and expenditures by type of revenues. The Comptroller of Public Accounts shall prescribe rules and procedures to assure compliance with this section and all transactions and balances shall be reconciled monthly against the records of the Comptroller. In addition to the requirements for annual financial reports required by the General Provisions of this Act, the Attorney General shall include a

separate section detailing all such balances, receipts and distributions of money in Fund No. 994 and the Child Support Retained Collections Account. The report must specifically show balances held for transfer to operating appropriations of the Attorney General's Office and any other agency. In addition, any balances which are unclaimed and subject to escheat under other laws must be identified as to amount and age.

6. **Debt Collections.**

a. The Office of the Attorney General shall attempt to collect all delinquent judgments owed the State of Texas. A portion of those debts collected, as outlined below, shall be eligible for retention by the Office of the Attorney General and may be used as a source of funding for agency operations as specified in and limited by the method of financing of the Office. One hundred percent of the debts collected by the Office of the Attorney General and eligible for retention by the Office shall be applied toward the amounts shown above for Attorney General Debt Collection Receipts in the method of financing for agency operations. Once debt collections retained by the Office reach the amounts appropriated for agency operations for the biennium, 100 percent of collection revenues up to an amount of $18.0 million total for the biennium, shall be set aside to be eligible for use as payment of Workers' Compensation claims in the 2002–03 biennium. Regardless of the total amount collected by the Attorney General, in no event shall this provision be construed as an appropriation in addition to the amount appropriated above as specified in the method of financing, of any of the funds collected by the Office of the Attorney General.

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

c. It is the intent of the Legislature that the following not be allowed as a credit toward the percentage set forth in Rider 6.a. above: judgments collected by state agencies; judgments less than one year old; or judgments collected without direct action by the Attorney General's Collection Division. The State Auditor shall verify that the above funds resulting from funds collected by the Collections Division of the Attorney General's Office do not include child support collections, or judgments collected from any other source or process other than through the Collections Division and the other requirements as set out in this rider.

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

7. **River Compact Lawsuit Contingency.** Out of the amounts appropriated above for Strategy A.1.1, Legal Services, $205,000 shall be set aside to purchase professional services to force compliance with the Texas river compacts by member states and/or agencies of the United States and defend the State in any legal proceeding involving the compacts.

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

9. **Appropriation of Receipts, Court Costs.** Out of the funds appropriated above as Appropriated Receipts, $5.575 million in each year of the biennium represents the annual appropriation of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General. Fifty percent of court costs, attorneys' fees and investigative costs recovered by the Office of the Attorney General in excess of those specifically appropriated and shown in the agency's method of financing are appropriated to the Office of the Attorney General, in an amount not to exceed $2,787,500 each year. At least semi-annually, beginning within 60 days after the close of each fiscal year, or more often upon request of the Legislative Budget Board, the Office of the Attorney General shall submit to the Legislative Budget Board, the Senate Finance Committee, the House Appropriations Committee, and the Governor a report that lists each case in which an award of court costs, attorneys' fees, or investigative fees was made, the date of the award, the amount of court costs that were awarded, the amount of investigative costs that were awarded, the amount of attorneys fees that were awarded, and the strategy or strategies to which the above receipts were allocated, in addition to any other information that may be requested by the Legislative Budget Board.

10. **Appropriation of Gifts, Grants, and Forfeited Assets.** All moneys deposited to the credit of the Attorney General Law Enforcement Account No. 5006 in excess of $1,185,485 in fiscal year 2002 and $1,185,485 in fiscal year 2003, and all interest accruing from the deposit of all moneys in the Attorney General Law Enforcement Account No. 5006, estimated to be $50,000 per fiscal year, are hereby appropriated to the Office of the Attorney General for the 2002–03 biennium, for the purposes provided by § 402.005, Government Code.

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

12. **Unexpended Balances.** Any unexpended balances as of August 31, 2001, in appropriations made to the Office of the Attorney General, excluding direct appropriations for Strategy B.1.1, Child Support Enforcement, and Strategy B.1.2, State Disbursement Unit, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2001 (estimated to be $353,997 from the Compensation to Victims of Crime Fund No. 469). Any unexpended balances as of August 31, 2002 in the appropriations made herein to the Office of the Attorney General are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

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

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

Program	FY 2002	FY 2003
(1) Victims Assistance Coordinators and Victims Liaisons	$ 2,403,400	$ 2,403,400
(2) Court Appointed Special Advocates	$ 2,100,335	$ 2,122,795
(3) Sexual Assault Prevention and Crisis Services Program	$ 8,508,821	$ 8,828,821
(4) Sexual Assault Services Program Grants	$ 375,000	$ 375,000
(5) Children's Advocacy Centers	$ 3,999,003	$ 3,999,003
(6) Legal Services Grants	$ 2,500,000	$ 2,500,000
(7) Other Victim Assistance Grants	$ 10,000,000	$ 10,000,000
Total	$ 29,886,559	$ 30,229,019
Method of Financing:		
Compensation to Victims of Crime Fund No. 469	$ 24,936,522	$ 24,936,522
Sexual Assault Program Account No. 5010	187,693	187,693
Attorney General Volunteer Advocate Program Account No. 5036	100,335	122,795
Federal Funds	4,662,009	4,982,009
Total, Method of Financing	$ 29,886,559	$ 30,229,019

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

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

15. **Appropriation: CASA License Plate Revenues.** Included in amounts appropriated above in Strategy C.1.3, Victims Assistance, is $100,335 in fiscal year 2002 and $122,795 in fiscal year 2003 from the Attorney General Volunteer Advocate Program Account No. 5036 for the purpose of contracting with Texas CASA, Inc. Any additional revenues received and deposited into the Attorney General Volunteer Advocate Program Account No. 5036 are hereby appropriated to the Office of the Attorney General for the same purpose.

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

17. **Elephant Butte Litigation.** Included in amounts appropriated above in Strategy A.1.1, Legal Services, is $4,000,000 in fiscal year 2002 from the General Revenue Fund for the purpose of preparing the State of Texas for potential intervention in certain developing ground and surface water disputes with the State of New Mexico along the Rio Grande Project from Elephant Butte Reservoir to Ft. Quitman, Texas. In addition to such funds, the Office of the Attorney General may, if the Attorney General deems necessary, use additional funds appropriated above in Strategy A.1.1, Legal Services, not to exceed a total amount of $6,153,000, for such intervention.

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

18. **Excess Retained Collections.** In addition to funds appropriated above, the Office of the Attorney General is hereby appropriated Child Support Retained Collections receipts in excess of the amounts in the Comptroller's Biennial Revenue Estimate, plus federal matching funds, to be used in Strategy B.1.1, Child Support Enforcement, during the 2002–03 biennium.

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

20. **Unexpended Balances, Child Support Enforcement.** In addition to amounts appropriated above, the Office of the Attorney General is hereby appropriated any unexpended balances from Earned Federal Funds appropriated to the agency in fiscal year 2001, in an amount not to exceed $2,317,377, along with federal matching funds, estimated to be $4,498,436. Such funds are to be used in Strategy B.1.1, Child Support Enforcement, for child support enforcement expenditures, including the costs related to the establishment and operation of four new regional call centers.

21. **Hawkins Field Litigation.** Included in amounts appropriated above in Strategy A.1.1, Legal Services, is $1,700,000 from the State Highway Fund 6 in fiscal year 2002 for litigation expenses related to the Hawkins Field lawsuit, or other litigation related to the conversion of mineral rights on state property.

22. **Appropriation for Family Trust Fund Purposes.** In addition to funds appropriated above in Strategy B.1.1, Child Support Enforcement, all of the revenue generated by the deposit of the marriage license fee required by § 2.014, Family Code, in excess of $296,175 in fiscal year 2002 and $300,450 in fiscal year 2003, is hereby appropriated for the 2002–03 biennium, in an amount estimated to be $242,825 in fiscal year 2002 and $238,550 in fiscal year 2003, for the purpose of carrying out the duties set forth in VTCA, § 2.014, Family Code.

BOND REVIEW BOARD

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: PROTECT TEXAS BOND RATING Ensure that Texas state bonds attain the highest possible bond rating and that these bonds are issued in a cost-effective manner.		
A.1.1. Strategy: REVIEW BOND ISSUES Review each Texas Bond Review Board project application to ensure proper legal authorization, accurate and adequate disclosure, appropriate use of call provisions, bond insurance and other provisions which affect marketability.	$ 162,326	$ 155,003
Output (Volume): Number of State Bond Issues and Lease-purchase Projects Reviewed	42	42
A.1.2. Strategy: STATE BOND DEBT Analyze and report to the Legislature, rating agencies, and other interested parties on Texas' debt burden, credit-worthiness and capital expenditure plan. Analyze and report to the Legislature and other policymakers actions that would raise the state's bond rating and/or lower state borrowing costs.	$ 120,319	$ 113,462
Output (Volume): Number of Responses to Debt Information Requests	140	160
Total, Goal A: PROTECT TEXAS BOND RATING	$ 282,645	$ 268,465
B. Goal: LOCAL BOND DEBT Ensure that public officials have access to current information regarding local government debt issuance, finance and debt management.		
B.1.1. Strategy: LOCAL BOND DEBT Collect, maintain and analyze data on the current status of and improvements to local government debt issuance finance and debt management. Report findings to the Legislature, other state officials and local policymakers.	$ 185,781	$ 177,468
Output (Volume): Number of Contacts Made with Local, State and Federal Officials, Policy Makers, and Investor and Rating Agencies	1,820	1,910
Number of Local Government Financings Analyzed	978	1,000
C. Goal: PRIVATE ACTIVITY BONDS Ensure that the authorization to issue private activity bonds for Texas state and local entities is allocated consistently with legislative mandates, in the most equitable manner possible, and in the best interest of the people of Texas.		
C.1.1. Strategy: PRIVATE ACTIVITY BONDS Administer the private activity bond allocation program efficiently and effectively to ensure the total utilization of the state's annual private activity bond allocation according to federal regulations and compile and analyze the results of each allocation in an annual report.	$ 131,468	$ 124,411

Output (Volume):		
Number of Applications Reviewed	270	280
Grand Total, BOND REVIEW BOARD	$ 599,894	$ 570,344
Number of Full-Time-Equivalent Positions (FTE):	10.5	10.5
Schedule of Exempt Positions:		
Executive Director, Group 3	$80,000	$80,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Convert Macintosh system to PC based system	$ 55,000	$ 5,000
Total, Capital Budget	$ 55,000	$ 5,000

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

COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMPLIANCE WITH TAX LAWS		
To improve voluntary compliance with tax laws.		
Outcome (Results/Impact):		
Percent Accuracy Rate of Reported Amounts on Original Audits	98%	98%
Average Monthly Delinquent Account Closure Rate Per Enforcement Collector	239	239
Percentage of Proposed Decisions by Administrative Law Judges Issued within 40 Days of the Record Closing	96%	97%
A.1.1. Strategy: ONGOING AUDIT ACTIVITIES	$ 47,976,472	$ 48,766,850
Maintain an ongoing program of audit activities in support of improved tax compliance.		
Output (Volume):		
Number of Audits and Verifications Conducted	14,000	14,000

Efficiencies:		
Average Dollars Assessed to Dollar Cost	22	22
A.2.1. Strategy: TAX LAWS COMPLIANCE	$ 24,380,462	$ 24,842,645
Improve voluntary compliance with tax laws by maximizing the efficiency of the delinquent taxpayer contact and collection program.		
Efficiencies:		
Delinquent Taxes Collected Per Collection-related Dollar Expended	64	65
A.3.1. Strategy: TAXPAYER INFORMATION	$ 12,621,641	$ 12,812,260
Provide accurate and timely tax information to taxpayers, tax professionals, state officials, and the citizens of Texas.		
Output (Volume):		
Total Number of Taxability Letters Issued	7,300	8,006
Efficiencies:		
Percent of Taxability Letters Issued within Seven Days	88%	88%
A.4.1. Strategy: TAX HEARINGS	$ 6,832,600	$ 6,941,170
Provide fair and timely hearings, represent the agency in administrative hearings on tax matters, and provide legal counsel and research to the agency.		
Output (Volume):		
Number of Final Decisions Rendered by Administrative Law Judges	1,300	1,300
Efficiencies:		
Average Length of Time (Work Days) Taken to Issue a Proposed Decision Following Record Closing	10	10
Total, Goal A: COMPLIANCE WITH TAX LAWS	$ 91,811,175	$ 93,362,925
B. Goal: MANAGE FISCAL AFFAIRS		
To efficiently manage the state's fiscal affairs.		
Outcome (Results/Impact):		
Percent of Fund Accounting Customers Who Return an Overall Customer Service Rating of Good or Excellent on Surveys	98%	98%
Percent Accuracy Rate of Postaudited Claims	99%	99%
Percent of Texas School Performance Review Recommendations Implemented	87%	87%
Percentage of Independent School Districts in Which PTD Met the Target Margin of Error	95%	95%
Percent of TPR Recommendations Successfully Implemented through Legislation by State Agencies and Institutions of Higher Education	65%	65%
Treasury Portfolio Yield Compared to Money Market Funds Having Similar Investment Authority	105%	105%
Increased Interest Earned through Minimization of Float (Banking) (Millions)	4.3	4.9
B.1.1. Strategy: ACCOUNTING/REPORTING	$ 6,788,751	$ 6,773,940
Project the receipts and disbursements of state government under Article III, Sec. 49a of the Texas Constitution and complete all state accounting and reporting responsibilities in an efficient and timely manner.		
Efficiencies:		
Number of Staff Hours Required to Produce the Comprehensive Annual Financial Report	8,000	8,500
B.1.2. Strategy: CLAIMS AND PAYMENTS	$ 5,183,808	$ 5,278,012
Accurately and expeditiously audit and process all claims for payment against the state, issue payments (warrants and direct deposit), and provide assistance and training to state agencies.		

Output (Volume):		
Total Number of Payments Issued	14,800,000	14,667,000
B.2.1. Strategy: TEXAS SCHOOL PERFORMANCE REVIEW	$ 4,184,622	$ 4,203,683
Review the efficiency and effectiveness of school district operations in order to ensure the highest and best use of taxpayer dollars through the Texas School Performance Review.		
Output (Volume):		
Number of School Districts Evaluated	20	20
B.3.1. Strategy: COMPETITIVE GOVERNMENT	$ 1,048,137	$ 1,062,503
Identify state programs that can be more cost-effectively provided through competitive bidding.		
Output (Volume):		
Number of Competitively Contracted State Services under CCG Oversight	9	9
B.4.1. Strategy: PROPERTY TAX PROGRAM	$ 5,626,658	$ 5,729,150
Fulfill tax code and education code mandates by conducting an annual property value study; providing technical assistance; and reviewing appraisal methods, standards, and procedures.		
Output (Volume):		
Number of Properties Included in the Property Value Study	115,000	120,000
Efficiencies:		
Average Direct Cost Per Appraisal District Methods, Standards, and Procedures (MSP) Review	550	550
B.5.1. Strategy: FISCAL RESEARCH & STUDIES	$ 8,640,588	$ 8,771,811
Provide the public and private sectors with reliable information resources and analysis to ensure the most effective and efficient use of taxpayer dollars.		
Output (Volume):		
Number of Requests for Local Government Assistance Completed	3,000	3,000
Number of Financial Management Reviews Conducted	40	40
Number of Texas Performance Reviews Completed	3	3
Efficiencies:		
Average Staff Time Required to Complete a Texas Performance Review (Hours)	3,000	3,000
B.6.1. Strategy: INVESTMENTS	$ 6,039,600	$ 5,332,283
Ensure that the state's assets and cash receipts are properly secured, deposited, and accounted for and prudently invest and manage the state's investment portfolio.		
Efficiencies:		
Investment Program Cost Per Millions of Funds Invested by Treasury	.18	.18
B.7.1. Strategy: INTEGRATED STATEWIDE ADMIN SYSTEM	$ 3,950,651	$ 3,956,728
Develop and maintain a client server integrated financial system that meets agencies' financial, administrative and technological needs through the following modules: general ledger accounting, asset management, purchasing, budget preparation and labor distribution.		
Output (Volume):		
Number of Integrated Statewide Administrative System (ISAS) Training Hours Provided to State Agency Personnel	3,000	3,200

B.7.2. Strategy: MAINFRAME SYSTEM Maintain the existing uniform statewide accounting and payroll systems (USAS and USPS).	$ 10,964,365	$ 11,054,978
Output (Volume):		
Number of Training Hours Provided to State Agencies on Claims Processes Related to the Use of Statewide Financial Systems and Subsystems	2,655	2,733
Total, Goal B: MANAGE FISCAL AFFAIRS	$ 52,427,180	$ 52,163,088
C. Goal: TAX AND FINANCIAL INFO TECHNOLOGY To expeditiously manage the receipt and disbursement of state tax revenue.		
Outcome (Results/Impact):		
Time Taken to Return Tax Allocation to Local Jurisdictions (Days)	21	22
C.1.1. Strategy: REVENUE & TAX PROCESSING Provide for and improve the processing of tax and voucher data, collection and allocation of tax revenue, and the disbursements of tax refunds.	$ 35,465,632	$ 34,177,974
Output (Volume):		
Number of Tax Returns Processed	3,400,000	3,450,000
Efficiencies:		
Average Number of Hours to Deposit Priority Receipts	9	9
Grand Total, COMPTROLLER OF PUBLIC ACCOUNTS	$ 179,703,987	$ 179,703,987
Method of Financing:		
General Revenue Fund	$ 179,137,520	$ 179,143,310
Federal Funds	15,640	9,850
Other Funds		
Appropriated Receipts	375,827	375,827
Interagency Contracts	175,000	175,000
Subtotal, Other Funds	$ 550,827	$ 550,827
Total, Method of Financing	$ 179,703,987	$ 179,703,987
Number of Full-Time-Equivalent Positions (FTE):	2,831.0	2,831.0
Schedule of Exempt Positions:		
Comptroller of Public Accounts, Group 4	$92,217	$92,217
Supplemental Appropriations Made in Riders:	$ 400,000	$ 400,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Baseling Operations - 001	2,180,556	2,180,556
(2) Growth and Enhancement - 002	2,844,026	409,735
(3) Data Center Operations - 003	$ 545,300	$ 561,480
Total, Acquisition of Information Resource Technologies	$ 5,569,882	$ 3,151,771
b. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Master Lease Purchase Program Acquisitions, 98-99	$ 246,568	$ 0
Total, Capital Budget	$ 5,816,450	$ 3,151,771

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

3. **Support to the Board of Tax Professional Examiners.** It is the intent of the Legislature that the Comptroller of Public Accounts provide administrative support to the Board of Tax Professional Examiners, under interagency contract; such support to consist of the same levels of service and approximate costs as was provided to the Board of Tax Professional Examiners by the State Comptroller during the 2000–01 biennium.

4. **Employee Incentive Rider.** In addition to the existing authority and amounts related to employee compensation and benefits, the Comptroller of Public Accounts may expend amounts necessary from funds appropriated for the 2002–03 biennium for the purposes of enhancing compensation, providing incentives, or paying associated expenses for high performing employees within the Comptroller's Office.

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

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

7. **Unexpended Balances Carried Forward.** All unexpended balances appropriated and/or allocated to the Comptroller of Public Accounts from the 2000–01 biennium due to efficiencies or other cost savings of the Comptroller are hereby appropriated for the 2002–03 biennium. The appropriations herein are for ensuring the continuation of high priority programs within the Comptroller's Office.

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

9. **Appropriation for Statutory Obligations.** The Comptroller of Public Accounts is hereby appropriated from Unclaimed Property Receipts all sums necessary to perform statutory obligations under §§ 74.201, 74.203, 74.601, and 74.602 of the Texas Property Code and to respond to public inquiries generated by the advertising program including, but not limited to, the hiring of temporary employees. Such amounts shall not exceed the amount of money credited to Unclaimed Property Receipts from unclaimed property proceeds.

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

11. **Unexpended Balances.** Any unexpended balances as of August 31, 2002, in the appropriations made herein to the Comptroller of Public Accounts are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

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

13. **Comptroller Fiscal Oversight Responsibilities.** In order to clearly differentiate between core Comptroller functions and those functions which are for fiscal oversight or primary benefit to units of government, it is the intent of the Legislature that the Legislative Budget Board and the Governor shall work cooperatively with the Comptroller to determine appropriate activities which should be recorded under Fiscal Programs - Comptroller of Public Accounts for budget and spending purposes. Specific activities include contract activities where outside vendors perform services for the benefit of units of local government. Examples of such programs include School Performance reviews, and reviews of cities, counties, hospital districts, mass transit authorities, community colleges, or other entities where work is directed at reducing the cost of government. All such appropriate costs for the 2002–03 biennium shall be recorded under Fiscal Programs - Comptroller of Public Accounts.

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

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

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

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

    In addition to the appropriations elsewhere in this Act, the Comptroller's Office is hereby appropriated $400,000 each year from the General Revenue Fund to defray expenses of the academy not reimbursed from private or interagency sources.

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

16. **Texas Performance Review and e-Texas Commission.** Included in amounts appropriated above to Strategy B.5.1, Fiscal Research and Studies, out of the General Revenue Fund is an estimated $65,830 each fiscal year for the e-Texas Commission.

    Included in amounts appropriated above to Strategy B.5.1, Fiscal Research and Studies, out of the General Revenue Fund is an estimated $3,026,205 in fiscal year 2002 and $3,070,407 in fiscal year 2003 for review of government operations through the Texas Performance Review.

17. **Startup Funding for College Savings Plan.** Contingent upon enactment of House Bill 1446, or similar legislation relating to the establishment of a higher education savings plan to be administered by the Texas Prepaid Higher Education Tuition Board, by the Seventy-seventh Legislature, Regular Session, the Comptroller of Public Accounts is hereby authorized to temporarily utilize other funds appropriated for agency operations for the purpose of funding expenses in establishing the College Savings Plan. The Texas Prepaid Higher Education Tuition Board shall repay the expenses during the 2002–03 biennium from administrative fees and service charges collected by the board from participants in the plan. The temporary loan from the Comptroller's appropriations shall not exceed $150,000 and the reimbursements are hereby appropriated to the Comptroller's Office.

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

19. **Performance Reviews of General Academic Teaching Institutions.** Out of the funds appropriated above in Strategy B.2.1, Texas School Performance Review, the Comptroller of Public Accounts, in conjunction with the Higher Education Coordinating Board, may conduct performance reviews of General Academic Teaching Institutions during the 2002–03 biennium. Performance evaluations shall, at a minimum, consist of a review of 1) fiscal and management operations; 2) student services; 3) curriculum; and 4) benchmarks with respect to peer institutions.

20. **County Management System Project.** Out of the funds appropriated above, the Comptroller shall assist no fewer than three counties in developing and implementing effective county management systems. The agency shall coordinate the County Management System Project with the County Judges and Commissioners Association of Texas, including the evaluation of applications and the selection of counties that volunteer to participate in the project.

FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMPTROLLER OF ACCOUNTS Comptroller of Public Accounts.		
A.1.1. Strategy: VOTER REGISTRATION For payment to each county for the total number of voters registered in the county as shown by certified statement submitted by the Registrar to the Secretary of State, as required by VACS, Election Code, Section 19.002. For payment to counties for voter registration. Estimated.	$ 3,000,000	$ 500,000
A.1.2. Strategy: MISCELLANEOUS CLAIMS To complete the payment of state funds allocated for the Small Claims Program to entitled recipients in a timely manner pursuant to VTCA, Government. Code, Section 403.074.	$ 1,470,000	$ 1,470,000
A.1.3. Strategy: REIMBURSEMENT- COMMITMENT HEARINGS For reimbursement of counties for the cost of commitment hearings required by the Persons with Mental Retardation Act, Chapters 591-596, VTCA, Health and Safety Code.	$ 10,000	$ UB
A.1.4. Strategy: REIMBURSE - BEVERAGE TAX For reimbursement of taxes received as authorized by Texas Tax Code Annotated, Section 183.051(b). Payments to each eligible county and incorporated municipality shall be equal to 10.7143 percent of receipts from permittees within the county or incorporated municipality during the quarter. Estimated.	$ 74,072,000	$ 75,531,000
A.1.5. Strategy: TORT CLAIMS/FEDERAL COURT JUDGMENTS (1) Payments for settlements and judgments for claims against state agencies payable under Chapters 101 and 104, Civil Practice and Remedies Code, including indemnification for criminal prosecutions and Federal Court judgments and settlements shall be paid from	$ 3,000,000	$ UB

special or local funds of the agency or institution to the extent available, and then from General Revenue. The Comptroller shall maintain records of General Revenue paid and require reimbursement from agencies as special or local funds become available. (2) Payments shall be made for eligible medical malpractice claims in conformance with Chapter 59, Education Code. (3) All claims shall be prepared, verified and signed by the Attorney General's Office.		
A.1.6. Strategy: COUNTY TAXES - UNIVERSITY LANDS For payment of taxes, for county purposes only, to counties in which are located endowment lands set aside to The University of Texas by the Constitution and the Act of 1883. Estimated.	$ 1,250,000	$ 1,250,000
A.1.7. Strategy: LATERAL ROAD FUND DISTRICT For allocation of payment to each county for construction and maintenance of county roads.	$ 7,300,000	$ 7,300,000
A.1.8. Strategy: UNCLAIMED PROPERTY To pay all legitimate claims for previously unclaimed property held by the state. Estimated.	$ 45,000,000	$ 45,000,000
A.1.9. Strategy: UNDERAGE TOBACCO PROGRAM For allocation of grants to local law enforcement agencies for enforcing provisions of Health and Safety Code, Chapter 161, related to reducing minor access to and consumption of tobacco products.	$ 1,500,000	$ 1,500,000
A.1.10. Strategy: RANGER PENSIONS To complete the payment of state funds allocated for the Ranger Pension Program to entitled recipients in a timely manner. The Comptroller is authorized to transfer sufficient cash into the Confederate Pension Fund from General Revenue to allow these payments.	$ 8,120	$ 8,120
A.1.11. Strategy: LOCAL CONTINUING EDUCATION GRANTS Allocate funds credited to the Law Enforcement Officer Standards and Education Account for grants to local law enforcement agencies to provide continuing education for licensed peace officers, as required by Section 1701.157 Occupation Code.	$ 6,000,000	$ 6,000,000
Total, Goal A: COMPTROLLER OF ACCOUNTS	$ 142,610,120	$ 138,559,120
B. Goal: ENERGY OFFICE To develop and administer cost-effective programs that promote energy efficiency, preserve the environment, and protect the public health and safety through grants, loans and public awareness.		
Outcome (Results/Impact):		
Percent of ISDs Which Participate in SECO Local Government Energy Programs	13%	15%

B.1.1. Strategy: ENERGY OFFICE Promote and manage the LoanSTAR Program, contract services delivery, partnerships for improved energy education and energy efficient housing.	$ 1,853,844	$ 1,853,844
Output (Volume):		
Energy Dollars Saved by LoanSTAR Projects (in Millions)	10	11
Grand Total, FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS	$ 144,463,964	$ 140,412,964
Method of Financing:		
General Revenue Fund	$ 136,982,920	$ 132,931,920
GR Dedicated - Law Enforcement Officer Standards and Education Account No. 116	6,000,000	6,000,000
Federal Funds	921,382	921,382
GR Dedicated - Oil Overcharge Account No. 5005	559,662	559,662
Total, Method of Financing	$ 144,463,964	$ 140,412,964
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Number of FTEs in Riders:	3.5	3.5
Supplemental Appropriations Made in Riders:	$ 65,131,767	$ 25,693,838

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

2. **Appropriation, Payment of Tort Claims.** In addition to amounts appropriated above, the Comptroller of Public Accounts is hereby appropriated out of other special funds and accounts as appropriate, amounts necessary to pay claims, judgements, and settlements in accordance with and subject to the limitations in Parts 2 and 3 of line item A.1.5, Tort Claims and Federal Court Judgements, above.

3. **Limitation, Payment of Tort Claims.** The expenditures authorized in Part 2 of line item A.1.5, Tort Claims and Federal Court Judgements Claims, are hereby limited to those claims identified in Part 2 where the settlement or judgement amount exceeds the amount authorized by Article IX, Judgements, of this Act to be paid out of appropriations made to the involved agency elsewhere in this Act. The limitation established by this provision shall not apply in those cases where the judgement order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995.

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

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

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

   For the purpose of implementing innovative programs and new technologies to enhance tax collections, there is hereby appropriated $27,867,000 from the General Revenue Fund to the Comptroller's Office for the biennium. The Comptroller shall use the increased funding to implement the recommendations in the e-Texas report, issue AFM-5. The appropriation is contingent upon the Comptroller's certification that increased tax collections estimated to be $337.9 million for the biennium would result from the enhanced programs and provide a net gain estimated to be $310 million. The amount of net gain to be certified is contingent upon the enactment of legislation related to interest on certain unclaimed property and the authority to create a certification program for independent certified public accountants to increase audit coverage. In the event certain legislation which would impact the increased revenues is not enacted, the Comptroller's certification amount shall be adjusted downward accordingly.

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

7. **Investment Fund Management.** Consistent with the Comptroller's responsibility for investing certain assets, including but not limited to, the Tobacco Settlement funds and the Higher Education Fund, as much of the investment earnings as necessary up to a maximum of 75 basis points of the fund balance are hereby appropriated each year of the biennium to the fiscal agency operation of the Comptroller's Office to pay the expenditures related to these investment activities. The Comptroller shall prepare an annual report detailing the expenditures made in connection with each fund for investment activities.

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

9. **Oil Overcharge Settlement Funds.** In addition to funds appropriated to Strategy B.1.1, Energy Office, out of Oil Overcharge Account Number 5005 for administration of the State Energy Conservation Office (SECO), all funds allocated to the State of Texas through consent decrees, court decrees and administrative orders involving violation of the mandatory petroleum pricing and allocation regulations, including the interest earned on those funds as well as the accrued earnings, are hereby appropriated to the State Energy Conservation Office for the biennium beginning September 1, 2001 (estimated to be $25,680,676). Any unexpended balances as of August 31, 2001, of Oil Overcharge Funds are hereby appropriated to SECO for the biennium beginning September 1, 2001 (estimated to be $37,247,929).

Of these estimated balances and revenues, the State Energy Conservation Office shall allocate an estimated total of $6,633,750 over the biennium based on the designations listed below. SECO is granted the discretion to prorate Oil Overcharge funds based on these designations in the event that the total amount estimated by this allocation is not realized. The amounts below are hereby designated for the biennium beginning September 1, 2001, for the following purposes:

	FY 2002	FY 2003
State Energy Conservation Office Programs:		
Schools/Local Government Program	$623,375 & UB	$623,375 & UB
State Agencies/Higher Education Program	$123,375 & UB	$123,375 & UB
Renewable Energy Program	$123,375 & UB	$123,375 & UB
Housing Partnership	$123,375 & UB	$123,375 & UB
Transportation Energy Program	$123,375 & UB	$123,375 & UB
Alternative Fuels Program	UB	UB
Department of Housing and Community Affairs :		
ENTERP	UB	UB
Weatherization Assistance	$500,000 & UB	$500,000 & UB
Housing Trust Fund	$1,000,000 & UB	$1,000,000 & UB
Department of Transportation :		
Public Transportation	$500,000	$500,000
Texas Forest Service:		
Dry Fire Hydrants	$ 200,000	$200,000 & UB
Water Development Board:		
Water Systems Efficiency	UB	UB

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

Pursuant to Texas Government Code 2305.032 (f), funds available to the LoanSTAR Revolving Loan Program shall equal or exceed $95,000,000 at all times. All unexpended LoanSTAR balances (estimated to be $35,017,324 of total balances noted above) and all revenues, except depository interest earned on LoanSTAR balances, generated by funds in the LoanSTAR Program (estimated to be $20,800,000 of total revenues noted above), shall remain in the program. It is the intent of the Legislature that if a state agency or institution of higher education is a recipient of a loan under the statewide retrofit demonstration and revolving loan program, the agency or institution shall repay the loan from agency funds budgeted for the energy costs of the agency or institution.

10. **Texas Energy Coordination Council.** There is hereby appropriated to the Texas Energy Coordination Council any unexpended balances of oil overcharge funds as of August 31, 2001 (estimated to be $270,751), for the biennium beginning September 1, 2001. The TECC is hereby authorized a total of 3.5 full time equivalent positions in each year of the biennium.

    Amounts appropriated herein for the Texas Energy Coordination Council for fiscal year 2003 are made contingent on the continuation of the Texas Energy Coordination Council by the Legislature. In the event this function is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of the Texas Energy Coordination Council operations.

11. **Department of Energy (DOE) Federal Funds.** In addition to funds appropriated above for administration of the State Energy Conservation Office, all funds allocated to the State of Texas by the US Department of Energy to fund Pantex and State energy programs are detailed below for the biennium beginning September 1, 2001.

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

	FY 2002	FY 2003
Federal Funds: Pantex Programs		
Agreement in Principle (Remedial Clean Up Action)	$1,134,080 & UB	$1,134,080 & UB
Waste Isolation Pilot Plant	$333,894 & UB	$333,894 & UB
Federal Funds: State Energy Program		
State Energy Program (SEP) Grant	$1,199,489 & UB	$1,199,489 & UB

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

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

date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, shall not be eligible to receive payment of a refund under this provision.

(b) As a specific limitation to the amount of refunds paid from funds appropriated in this Act during the 2002–03 biennium, the Comptroller shall not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller of Public Accounts used for certification of this Act. Any claim or portion of a claim which is in excess of this limitation shall be presented to the next legislature for a specific appropriation in order for payment to be made. This limitation shall not apply to any taxes or fees paid under protest.

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

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

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY CONTRIBUTIONS/BENEFIT REPLACEMENT PAY		
A.1.1. Strategy: STATE MATCH -- EMPLOYER Provide an employer match for Social Security contributions. Estimated	$ 563,874,180	$ 580,321,589
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated	$ 81,313,227	$ 75,450,660
Total, Goal A: SOCIAL SECURITY CONTRIBUTIONS/BENEFIT REPLACEMENT PAY	$ 645,187,407	$ 655,772,249
Grand Total, COMPTROLLER OF PUBLIC ACCOUNTS - SOCIAL SECURITY/BENEFIT REPLACEMENT PAY	$ 645,187,407	$ 655,772,249
Method of Financing:		
General Revenue Fund, estimated	$ 425,611,425	$ 433,691,875
General Revenue - Dedicated, estimated	57,392,990	58,917,645
State Highway Fund No. 006, estimated	67,381,959	67,567,600
Federal Funds, estimated	85,339,204	85,914,631
Other Special State Funds, estimated	9,461,829	9,680,498
Total, Method of Financing	$ 645,187,407	$ 655,772,249

2. **Transfer of Social Security Contributions and Benefit Replacement Pay.** Appropriations made in this and other articles of this Act for Social Security and Benefit Replacement Pay shall be transferred by each agency from the Comptroller of Public Accounts to the agency based on

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

* *estimated amounts by funding source for each fiscal year. Transfers should be made no later* than September 15th of the year in which the payments are to be made. Adjustments and return of excess appropriation authority to the Comptroller's Office shall be completed by October 30th of the subsequent fiscal ye

COMMISSION ON STATE EMERGENCY COMMUNICATIONS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: STATEWIDE 9-1-1 SERVICES		
To provide fiscally responsible, standardized and high quality 9-1-1 emergency communications throughout the State of Texas.		
A.1.1. Strategy: 9-1-1 EMERGENCY COMMUNICATIONS	$ 26,830,758	$ 33,087,478
Join regional councils of government to educate, promote and encourage local governmental agencies and the public to participate in 9-1-1 emergency communications; fund and assist local implementation; review regional plans for consistency with statewide standards; and coordinate 9-1-1 activities with national organizations, standards setting bodies, state and federal regulatory agencies.		
Output (Volume):		
Number of Public Safety Answering Points with Wireless Automatic Number Identification (ANI)	360	360
Number of 9-1-1 Calls Received by State Program Public Safety Answering Points (PSAPs)	3,908,460	3,986,629
Efficiencies:		
Percent of State Program Public Safety Answering Points (PSAPs) Averaging less than Ten 9-1-1 Calls Per Day	30%	30%
B. Goal: POISON CONTROL SERVICES		
In cooperation with the Texas Department of Health (TDH), to provide a quality statewide poison control center network, accessible to all Texans, that aids in the treatment and prevention of poisonings throughout the state.		
Outcome (Results/Impact):		
Percent of Human Poison Exposure Emergency Calls Treated at Home	80%	80%
B.1.1. Strategy: POISON CONTROL CENTERS	$ 7,350,226	$ 7,350,226
Maintain statewide poison control telecommunications network and, through TDH, fund as appropriate the six designated poison control centers to support related services through a statewide system.		
Output (Volume):		
Total Number of Poison Control Calls Processed	334,570	339,570
Efficiencies:		
Percent of Poison Control Calls Abandoned	6.4%	6.4%
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 210,655	$ 210,655
Grand Total, COMMISSION ON STATE EMERGENCY COMMUNICATIONS	$ 34,391,639	$ 40,648,359

*Italicized language was inadvertently omitted from enrolled Bill.

Method of Financing:		
GR Dedicated - Advisory Commission on Emergency Communications Account No. 5007	$ 10,628,401	$ 10,839,294
GR Dedicated - 911 Service Fees Account No 5050	23,763,238	29,809,065
Total, Method of Financing	$ 34,391,639	$ 40,648,359
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$75,000	$75,000
Per Diem of Commission Members	4,300	4,300
Supplemental Appropriations Made in Riders:	$ 6,000,000	$ 6,000,000

1. **Appropriation, 9-1-1 Services Fee Account.** Included in amounts appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, is $23,763,238 in fiscal year 2002 and $29,809,065 in fiscal year 2003 from General Revenue-Dedicated Account No. 5050, 9-1-1 Services Fee for payments to regional councils of government for 9-1-1 service contracts. It is the intent of the Legislature that before the Commission on State Emergency Communications makes a contract payment to a regional council of government from the 9-1-1 Services Fee Account for 9-1-1 service contracts, the Commission ensures that the regional council of government has spent all balances and interest earned from emergency service fees for landline and wireless telecommunication services billed prior to August 31, 1999 and held outside the State Treasury. Accordingly, amounts appropriated above have been reduced by $6,302,713, to reflect local balances in wireless service fees that are available to fund 9-1-1 implementation, including wireless 9-1-1 service improvements, and any unexpended balances in funds reserved to replace 9-1-1 capital equipment remaining after acquisition of equipment scheduled for replacement during the 2002-03 biennium.

   In addition, the Comptroller of Public Accounts shall reduce the amounts appropriated above from the 9-1-1 Services Fee Account by the amount of any available balances in emergency service fees on August 31, 2001, including wireless service fees, held by the regional councils of government outside the State Treasury that exceed $6,302,713. The Commission on State Emergency Communications shall provide the Comptroller of Public Accounts with a report on local balances in emergency and wireless service fees, and funds reserved to replace 9-1-1 capital equipment for each regional council of government for fiscal years 2001 and 2002 within 60 days of the close of each fiscal year. The amount of local balances shall be determined using guidelines established by the State Auditor's Office.

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

3. **Appropriation: Wireless Service Fee Revenue.** In addition to amounts appropriated above, the Commission on State Emergency Communications is hereby appropriated wireless service fee collections in excess of the amounts in the Comptroller's Biennial Revenue Estimate (in an estimated amount not to exceed $8,000,000), to be used in Strategy A.1.1, 9-1-1 Emergency Communications, during the 2002-03 biennium to fund wireless 9-1-1 service improvements.

4. **Contingency Appropriation for House Bill 893.** Contingent upon the enactment of House Bill 893 or similar legislation relating to funding for trauma care, by the Seventy-seventh Legislature, Regular Session, in addition to the amounts appropriated above to Strategy A.1.1, 9-1-1 Emergency Communications, the Commission on State Emergency Communications is hereby appropriated $2,000,000 each fiscal year of the biennium out of the Advisory Commission on Emergency Communications Account No. 5007 to fund statewide 9-1-1 services, including but not limited to 9-1-1 equipment maintenance, addressing maintenance,

service area maps and management information systems. It is the intent of the Legislature that funds appropriated out of General Revenue-Dedicated Account No. 5007, Advisory Commission on State Emergency Communications, to the Texas Department of Health in Strategy E.1.1, Emergency Health Care Systems for trauma care ($2,000,000 in each fiscal year of the biennium), be replaced by the revenue established by the provisions of House Bill 893.

In the event House Bill 893 or similar legislation is not enacted by the Seventy-seventh Legislature, Regular Session, the Commission on State Emergency Communications is hereby appropriated $2,000,000 each fiscal year of the biennium from the 9-1-1 Services Fee Account No. 5050 to fund statewide 9-1-1 services.

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

6. **Acquisition of Poison Control Center Wide Area Network.** It is the intent of the Legislature that the State Commission on Emergency Communications actively seeks federal grant funds to implement a data-based, wide area network linking together the state's six poison control centers in order to share patient exposure and treatment information. Further, it is the intent of the Legislature that acquisition of the wide area network be made in compliance with provisions established by Article IX, § 6.17, Limitation on Expenditures-Capital Budget, and Article IX,
§ 6.18, Purchase of Information Resource Technologies and Article IX, § 6.19, Quality Assurance Review of Major Information Resource Projects, if applicable.

EMPLOYEES RETIREMENT SYSTEM

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ADMINISTER RETIREMENT PROGRAM To administer comprehensive and actuarially sound retirement programs.		
A.1.1. Strategy: RETIREE DEATH BENEFITS Provide lump-sum retiree death benefits under Section 814.501, Government Code. Estimated.	$ 6,265,945	$ 6,453,923
Grand Total, EMPLOYEES RETIREMENT SYSTEM	$ 6,265,945	$ 6,453,923
Number of Full-Time-Equivalent Positions (FTE):	305.0	305.0

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

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ADMINISTER RETIREMENT PROGRAM		
To administer comprehensive and actuarially sound retirement programs.		
Outcome (Results/Impact):		
Percent of ERS Retirees Expressing Satisfaction with Member Benefit Services	95%	95%
ERS Annual Operating Expense per Active and Retired Member	63	63
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS		
Provide an actuarially sound level of retirement funding as defined by state law. Estimated.	$ 294,433,482	$ 300,547,588
Output (Volume):		
Number of Member Accounts Serviced	197,000	199,000
Efficiencies:		
Average Number of Days to Provide ERS Retirement Packets	4.5	4.5
A.1.2. Strategy: JUDICIAL RETIREMENT PLAN 2		
Maintain an actuarially sound retirement program for state judicial officers. Estimated	$ 7,817,338	$ 8,090,945
A.1.3. Strategy: JUDICIAL RETIREMENT PLAN 1		
Provide for the payment of JRS-1 benefits and membership refunds as required by law. Estimated.	$ 22,853,578	$ 23,490,118
A.1.4. Strategy: PUBLIC SAFETY BENEFITS		
Provide for the payment of death benefits to beneficiaries of public safety personnel as required by § 615, Government Code. Estimated.	$ 900,000	$ 900,000
A.1.5. Strategy: RETIREE DEATH BENEFITS		
Provide lump-sum death benefits under § 814.501, Government Code. Estimated.	$ 6,265,945	$ 6,453,923
Total, Goal A: ADMINISTER RETIREMENT PROGRAM	$ 332,270,343	$ 339,482,574
B. Goal: PROVIDE HEALTH PROGRAM		
To provide employees, retirees, and dependents with a comprehensive, quality health program.		
Outcome (Results/Impact):		
Percent of HealthSelect Participants Satisfied with Network Services	90%	90%
B.1.1. Strategy: GROUP INSURANCE		
Provide a basic health care and life insurance program for general state employees, retirees, and their dependents. Estimated	$ 821,086,517	$ 929,122,852
Efficiencies:		
Percent of Claims Processed within Fifteen days	96%	96%
Total Cost Paid per HealthSelect Member for Administration and Claims Processing	18.95	19.52
Grand Total, EMPLOYEES RETIREMENT SYSTEM	$ 1,153,356,860	$ 1,268,605,426

Method of Financing:		
General Revenue Fund, estimated	$ 676,798,322	$ 741,714,080
General Revenue Fund - Dedicated, estimated	53,870,220	59,099,526
State Highway Fund No. 006, estimated	184,407,221	204,431,164
Federal Funds, estimated	228,471,994	252,944,021
Other Special State Funds, estimated	9,809,103	10,416,635
Total, Method of Financing	$ 1,153,356,860	$ 1,268,605,426
Number of Full-Time Equivalent Positions (FTE)	305.0	305.0
Schedule of Exempt Positions		
Executive Director	$ 150,000	$ 150,000

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

3. **State Contribution to Employees Retirement Program.** The amount specified above in A.1.1, Retirement Contributions, is based on a state contribution of 6.00 percent of payroll, including annual membership fees of $3 for contributing members for each fiscal year.

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

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

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

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

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

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

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

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

It is the intent of the Legislature that the Employees Retirement System control the cost of the group insurance program by not providing rate increases to health care providers participating in HealthSelect and HealthSelect Plus, and by implementing a more cost-effective retail pharmacy network in HealthSelect during the 2002–03 biennium.

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

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

8. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Employees Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by VTCA, Government Code § 815.5072.

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

10. **Retiree Health Insurance.** The Employees Retirement System shall evaluate the recommendations in Issue AFM-2 of the Comptrollers' e-Texas report concerning the funding of retirees' insurance through an actuarially based charge on active employees. To the extent feasible, and provided there is no additional cost to the state, ERS shall implement those recommendations. ERS shall report the results of their review, including the extent to which the recommendations were implemented or the obstacles to implementation, to the Seventy-eighth Legislature.

TEXAS ETHICS COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: INFORMATION ON GOVERNMENT To increase the public's ability to access information about public officials, candidates for public office, and persons attempting to influence public officials and to assist people in understanding their responsibilities under the laws administered by the Commission, thereby enhancing the potential for individual participation in government.		
Outcome (Results/Impact): Percent of Advisory Opinion Requests Answered by Commission within 60 Working Days of Receipt	97%	97%
A.1.1. Strategy: INFORMATION FILING Serve as the repository for information required to be filed with the Commission and assist persons in accessing that information.	$ 582,718	$ 632,718

Output (Volume):		
Number of Reports Logged within Two Working Days of Receipt	24,000	24,000
A.1.2. Strategy: ADVISORY OPINIONS	$ 230,586	$ 180,586
Aid the public and those subject to the laws administered and enforced by the Commission in complying with and understanding those laws by responding quickly, accurately, and impartially to advisory opinion requests.		
Efficiencies:		
Average Time (Working Days) to Answer Advisory Opinion Requests	22	22
A.1.3. Strategy: ENFORCEMENT	$ 400,481	$ 400,481
Enforce compliance with laws administered by the Ethics Commission by responding quickly and impartially to sworn complaints, by performing investigations where advisable, and by assessing penalties for late reports.		
Output (Volume):		
Number of Sworn Complaints Processed	70	70
Efficiencies:		
Average Time (Working Days) to Respond to Sworn Complaints	7	7
A.2.1. Strategy: ETHICS EDUCATION PROGRAM	$ 54,488	$ 54,488
To educate the public, state employees and those subject to the laws administered and enforced by the Commission by responding to requests for information about the application of ethics laws, by making public presentations, by prescribing clear reporting forms and guidelines, and by making educational materials broadly available.		
Total, Goal A: INFORMATION ON GOVERNMENT	$ 1,268,273	$ 1,268,273
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 684,198	$ 684,198
Grand Total, TEXAS ETHICS COMMISSION	$ 1,952,471	$ 1,952,471
Method of Financing:		
General Revenue Fund	$ 1,927,471	$ 1,927,471
Appropriated Receipts	25,000	25,000
Total, Method of Financing	$ 1,952,471	$ 1,952,471
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$97,000	$97,000
General Counsel	88,000	88,000

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

TEXAS ETHICS COMMISSION
(Continued)

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Hardware and Software Maintenance	106,552	53,152
(2) Computer Hardware and Software	86,600	55,896
(3) Telecommunications Hardware	$ 20,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 213,152	$ 109,048
Total, Capital Budget	$ 213,152	$ 109,048

PUBLIC FINANCE AUTHORITY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: FINANCE CAPITAL PROJECTS To provide financing for capital projects and equipment, as authorized by the Legislature, for client agencies to assist them in meeting their goals while ensuring those issuances are accomplished cost effectively and the resulting obligations are monitored and managed in the most efficient manner possible.		
A.1.1. Strategy: PROCESS AND REVIEW APPLICATIONS	$ 277,210	$ 281,766 & UB
Process and review applications for debt financing submitted by client agencies and maintain cost control for cost-effective issuance.		
Output (Volume): Number of Requests for Financing, Defeasances and Refundings Funded	5	5
A.2.1. Strategy: MANAGE BOND PROCEEDS	$ 415,815	$ 422,649 & UB
Manage bond proceeds and monitor covenants to ensure compliance.		
Output (Volume): Number of Financial Transactions Including Debt Service Payments	3,000	3,000
A.2.2. Strategy: BOND DEBT SERVICE PAYMENT	$	$
Make general obligation bond debt service payments in compliance with bond covenants.		
Total, Goal A: FINANCE CAPITAL PROJECTS	$ 693,025	$ 704,415
Grand Total, PUBLIC FINANCE AUTHORITY	$ 693,025	$ 704,415

Method of Financing:		
General Revenue Fund	$ 557,200	$ 557,200
Appropriated Receipts	135,825	147,215
Total, Method of Financing	$ 693,025	$ 704,415
Number of Full-Time-Equivalent Positions (FTE):	15.0	15.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$95,000	$95,000
Per Diem of Authority Members	2,400	2,400

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

	For the Years Ending August 31, 2002	August 31, 2003
Strategy A.2.2.		
Bond Debt Service	$ 256,673,103	$ 271,925,014 & UB
Method of Financing:		
General Revenue	$ 248,528,786	$ 260,784,177
General Revenue - Tobacco Settlement Receipts	678,000	3,678,150
Federal Funds	2,362,984	2,361,154
Other Funds		
Current Fund Balance	4,649,483	4,647,443
MHMR Patient Collections No. 8031	232,081	232,290
MHMR Appropriated Receipts No. 8033	32,767	32,786
MHMR Medicare Receipts No. 8034	189,002	189,014
Subtotal, Other Funds	5,103,333	5,101,533
Total, Method of Financing		
Bond Debt Service	$ 256,673,103	$ 271,925,014 & UB

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

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

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

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

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

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

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

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

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

7. **Appropriation for Alternative Fuels Finance Program Payments.** The Texas Public Finance Authority is hereby appropriated all proceeds from the issuance and sale of revenue bonds, revenue commercial paper, or other revenue obligations for the financing of alternative fuels projects. The Texas Public Finance Authority is hereby appropriated all balances held in and revenue accruing to the Texas Public Finance Authority Alternative Fuels Finance Program interest and sinking fund(s) for the purpose of making debt service and other payments in accordance with applicable laws, rules and covenants pertaining to the Alternative Fuels Finance Program. Unexpended balances in and revenues accruing to the Texas Public Finance Authority Alternative Fuels Finance Program Project fund(s) and cost of issuance fund(s) are hereby appropriated to the Texas Public Finance Authority for administrative costs associated with operating the Alternative Fuels Finance Program.

8. **Contingency Funding for Agency Operations: Additional Bond Issues**. In the event that the performance measure set forth above, Number of Requests for Financing, Defeasances and Refundings Funded, is exceeded by 30 percent in either fiscal year 2002 or 2003, the Texas Public Finance authority is hereby appropriated an additional amount not to exceed 20 percent of that year's appropriation made above to recover costs related to bond issuance for each fiscal year. Any additional appropriations made herein shall be applied equally to Strategy A.1.1, Process and Review Applications, and Strategy A.2.1, Manage Bond Proceeds. All appropriations made herein shall be out of the administrative fees collected from the participants in the Master Lease Purchase Program or reimbursements from state agencies; comply with the provisions of Chapters 1232 and 401 of the Texas Government Code, and any applicable bond covenants; and comply with any restrictions on reimbursements or expenditures contained in Article IX of this Act.

9. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Included in amounts listed above and appropriated elsewhere in this Act is $819,700 in fiscal year 2002 ($141,700 out of the General Revenue Fund and $678,000 out of Tobacco Settlement Receipts) and $14,501,875 in fiscal year 2003 ($10,823,725 out of the General Revenue Fund and $3,678,150 out of Tobacco Settlement Receipts) which is appropriated to the Texas Public Finance Authority for debt service payments contingent upon adoption of House Bill 3064 or similar legislation by the Seventy-seventh Legislature, Regular Session, and adoption of House Joint Resolution 97 or similar legislation by the Seventy-seventh Legislature, Regular Session, and by Texas voters in November 2001.

FIRE FIGHTERS' PENSION COMMISSIONER

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOUND PENSION FUNDS To ensure that pension funds for emergency services personnel are actuarially sound and that their members receive the benefits to which they are entitled.		
Outcome (Results/Impact):		
Period to Amortize the Unfunded Actuarial Accrued Liability	0	0
A.1.1. Strategy: ADMINISTER PENSION FUND Administer a pension fund for emergency services personnel by receiving contributions from governing entities; investing surplus funds; servicing member database; and providing services and benefit payments to members and their dependents.	$ 339,961	$ 337,231

FIRE FIGHTERS' PENSION COMMISSIONER
(Continued)

Output (Volume):		
Number of Retirement Payments Distributed	24,820	25,440
Efficiencies:		
Average Annual Administrative Cost Per Pension Plan Member	53.7	51
A.2.1. Strategy: ASSISTANCE & EDUCATION	$ 126,079	$ 113,629
Reconcile annual reports, confirm benefit determinations and refunds of contributions; interpret governing statutes and provide technical assistance; conduct educational seminars for pension board members and fund administrators; and distribute educational materials.		
Output (Volume):		
Number of Benefit Determinations for Local Funds	250	250
Number of Continuing Education Units Issued	1,457	1,457
Efficiencies:		
Average Time (Days) to Respond to Inquiries from Local Board Members	1	1
Total, Goal A: SOUND PENSION FUNDS	$ 466,040	$ 450,860
Grand Total, FIRE FIGHTERS' PENSION COMMISSIONER	$ 466,040	$ 450,860
Method of Financing:		
General Revenue Fund	$ 109,779	$ 109,779
Appropriated Receipts	16,300	3,850
Fire Fighters Relief and Retirement Fund No. 976	339,961	337,231
Total, Method of Financing	$ 466,040	$ 450,860
Number of Full-Time-Equivalent Positions (FTE):	8.5	8.5
Schedule of Exempt Positions:		
Commissioner, Group 1	$57,000	$57,000

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Fire Fighters' Pension Commissioner are made contingent on the continuation of the Fire Fighters' Pension Commissioner by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

STATE GENERAL SERVICES COMMISSION*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: GOODS AND SERVICES		
Provide a procurement system which acquires goods and services in a cost-effective and responsive manner while facilitating business opportunities for Historically Underutilized Businesses (HUBs).		
Outcome (Results/Impact):		
Percent of Goods and Services Purchased from Term Contracts	53%	56%
Estimated Savings to State Agencies on Purchases from Central Supply Store	1,000,000	1,000,000

*Pursuant to Senate Bill 311, certain duties of the General Services Commission related to providing telecommunication services for state government or to the establishment of the electronic procurement marketplace or the electronic commerce network are transferred to the Department of Information Resources. The General Services Commission is abolished and is replaced by the newly created Texas Building and Procurement Commission, which has all the powers and duties of the abolished General Services Commission. See also House Bill 1333.

Percent Customer Satisfaction with CCTS Attained		96%		96%
Price of TEX-AN Data Services as Percent of Industry Average		67%		68%
Estimated Costs Avoided for Customers by Utilization of Federal Personal Surplus Property		6,850,000		6,850,000
A.1.1. Strategy: CENTRALIZED PURCHASING Administer a competitive purchasing system in a time-efficient, responsive manner that encourages HUB participation through bid solicitation process and through prime and subcontracting opportunities.	$	3,830,813	$	3,830,813
Output (Volume):				
Number of New/Revised Term Contracts Developed		17		17
Number of State Term and Schedule Contract Awards Made to Historically Underutilized Businesses		100		100
A.2.1. Strategy: CENTRAL OFFICE SERVICES Provide for the timely and cost-effective delivery of services relating to repairs, mail processing, and office supply inventory.	$	6,089,997	$	6,061,490
A.3.1. Strategy: CAPITOL COMPLEX TELEPHONE Maintain and increase the capabilities of the Capitol Complex Telephone Systems.	$	22,961,180	$	8,832,892
Output (Volume):				
CCTS Trouble Tickets Reported as a Percent of Total Basic Lines in Service		10%		10%
Efficiencies:				
Average Response Time for Trouble Tickets (in Hours)		3		3
A.4.1. Strategy: TEX-AN NETWORK SERVICES Maintain TEX-AN network services.	$	67,222,317	$	58,013,092
Efficiencies:				
Average Price Per Intrastate Minute on TEX-AN		.09		.09
Average Price Per Toll-free Minute on TEX-AN		.07		.07
A.5.1. Strategy: TRANSPORTATION MANAGEMENT Address the travel needs of all Executive Branch state agencies through services provided under the State Travel Management Plan and develop and maintain a Statewide Vehicle Fleet Management System to provide detailed data on fleet use, to identify potential vehicle pooling or alternative fuel use opportunities, and to ensure efficient vehicle repair and maintenance services are provided.	$	626,679	$	626,679
Output (Volume):				
Number of Travelers Using Travel Contracts		31,000		31,000
A.6.1. Strategy: FEDERAL SURPLUS PROPERTY Aggressively screen and procure federal surplus personal property suitable for donation to the public and eligible nonprofit agencies in Texas.	$	2,461,579	$	2,461,579
Output (Volume):				
Dollar Amount of Federal Surplus Personal Property Donated		44,000,000		44,000,000
Total, Goal A: GOODS AND SERVICES	$	103,192,565	$	79,826,545

B. Goal: FACILITIES MANAGEMENT
Efficiently plan, provide, and manage state facilities.

Outcome (Results/Impact):		
Percent Attained of the Applicable Performance Standards for Preventive Maintenance	40%	40%
Dollar Value of Deferred Maintenance Projects Remaining	66,459,000	55,889,000
Percentage of Leases Processed within 90 Days	50%	50%
Percentage of Construction Projects Completed on Schedule and within Budget	90%	90%

B.1.1. Strategy: FACILITIES OPERATION Maintain and operate commission facilities in an efficient, effective, and environmentally safe manner through preventive maintenance, asbestos management, grounds maintenance, and energy consumption.	$	20,244,800	$	20,244,800
Efficiencies:				
Cost Per Square Foot of All Building Maintenance		1.12		1.12
B.2.1. Strategy: CUSTODIAL SERVICES Offer state agencies different levels of custodial services from a variety of providers.	$	5,393,205	$	5,393,205
Efficiencies:				
Average Cost Per Square Foot of Provided Services		.08		.08
Average Cost Per Square Foot of Privatized Services		.08		.08
B.3.1. Strategy: DEFERRED MAINTENANCE Maintain infrastructure of state-owned buildings by eliminating deferred maintenance needs, improving mechanical systems reliability, and ensuring the safety of state property and its users.	$	14,900,000	$	UB
Output (Volume):				
Dollar Value of Projects Completed (in Millions)		5.14		10.43
B.4.1. Strategy: LEASING SERVICES Procure lease space; provide contract negotiation, re-engineering of data capturing, development of lease documents, specifications and proposal evaluations, and evaluate lease compliance with federal, state, and local statutes and agency rules while ensuring customer satisfaction.	$	599,641	$	599,641
Output (Volume):				
Number of Leases Administered		175		175
B.5.1. Strategy: PLANNING AND CONSTRUCTION SERVICES Provide facilities for state agencies through space and construction management.	$	1,613,731	$	1,561,731
Output (Volume):				
Number of Construction Inspections Performed		360		360
B.6.1. Strategy: BUILDING DESIGN/CONSTRUCTION MGT Provide building design and construction management services to state agencies.	$	4,055,909	$	122,576
B.6.2. Strategy: LEASE PAYMENTS Make lease payments on facilities financed through the Texas Public Finance Authority.	$		$	
Total, Goal B: FACILITIES MANAGEMENT	$	46,807,286	$	27,921,953
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: CENTRAL ADMINISTRATION	$	3,279,920	$	3,279,920
C.1.2. Strategy: INFORMATION RESOURCES	$	2,548,421	$	2,548,421
C.1.3. Strategy: OTHER SUPPORT SERVICES	$	953,304	$	953,304
Total, Goal C: INDIRECT ADMINISTRATION	$	6,781,645	$	6,781,645
Grand Total, STATE GENERAL SERVICES COMMISSION	$	156,781,496	$	114,530,143

Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 46,409,046	$ 31,509,046
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	1,030,083	1,030,083
Subtotal, General Revenue Fund	$ 47,439,129	$ 32,539,129
General Revenue Fund - Dedicated		
Surplus Property Service Charge Fund Account No. 570	2,927,486	2,927,486
Subtotal, General Revenue Fund - Dedicated	$ 2,927,486	$ 2,927,486
Other Funds		
Appropriated Receipts	16,989,669	14,884,167
Interagency Contracts	89,425,212	64,179,361
Subtotal, Other Funds	$ 106,414,881	$ 79,063,528
Total, Method of Financing	$ 156,781,496	$ 114,530,143
Number of Full-Time-Equivalent Positions (FTE):	856.0	856.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$115,000	$115,000
Supplemental Appropriations Made in Riders:	$ 49,590,837	$ 0

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

	For the Fiscal Year Ending August 31, 2002	August 31, 2003
Strategy B.6.2., Lease Payments	$ 45,705,914	$ 44,935,444 &UB
Method of Financing:		
General Revenue Fund	$ 42,671,344	$ 41,919,703
General Revenue - Insurance Companies Maintenance Tax and Insurance Departments Fees	$ 3,034,570	$ 3,015,741
Total, Method of Financing, Lease Payments	$ 45,705,914	$ 44,935,444

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Construction of Buildings	$ UB	$ UB
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Asbestos Abatement and Building Repair	UB	UB
(2) Deferred Maintenance	14,900,000 & UB	UB
Total, Repair or Rehabilitation of Buildings and Facilities	$ 14,900,000	$ UB
c. Acquisition of Information Resource Technologies		
(1) Telemanagement System	900,000	725,000
(2) Computer Equipment	52,000	0
(3) Leased Equipment and Software	200,000	200,000
Total, Acquisition of Information Resource Technologies	$ 1,152,000	$ 925,000
d. Transportation Items		
(1) Vehicles	45,000	0
e. Acquisition of Capital Equipment and Items		
(1) Print Shop Equipment, Horizontal Stack Delivery	28,000	0
(2) Capitol Complex Telephone System Upgrade	16,000,000	2,000,000
(3) TEX-AN 2000	1,800,000	0
(4) TEX-AN III Parallel	4,350,000	0
Total, Acquisition of Capital Equipment and Items	$ 22,178,000	$ 2,000,000
f. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments, 1998-1999	147,666	147,351
(2) Lease Payments, 2000-2001	47,351	47,159
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 195,017	$ 194,510
Total, Capital Budget	$ 38,470,017	$ 3,119,510

Method of Financing (Capital Budget):		
General Revenue Fund	$ 14,900,000	$ 0
Appropriated Receipts	1,431,020	7,600
Interagency Contracts	22,138,997	3,111,910
Total, Method of Financing	$ 38,470,017	$ 3,119,510

3. **Unexpended Balances of Bond Proceeds Appropriated.** In addition to amounts appropriated above, all unexpended balances remaining as of August 31, 2001, from appropriations for construction projects are hereby appropriated for the 2002–03 biennium to Strategy B.6.1, Building Design/Construction Management, estimated to be $33,988,828, in Bond Proceeds–Revenue Bonds provided by the Texas Public Finance Authority.

4. **Appropriation of Construction and Planning Fund.** In addition to amounts appropriated above, all unexpended and unobligated balances in revenues remaining as of August 31, 2001, and all revenues accruing pursuant to § 2166.157, Title 10, Government Code from appropriations for engineering, architectural, and other planning expenses necessary to make a construction project analysis are hereby appropriated for the 2002–03 biennium to Strategy B.6.1, Building Design/Construction Management, estimated to be $74,230 in General Revenue.

5. **Appropriation of Unexpended Construction Funds.** In addition to amounts appropriated above, any unobligated balances remaining as of August 31, 2001, from appropriations for property acquisition, repairs, and renovations are hereby appropriated for the 2002–03 biennium for the same purposes and for any emergency repairs and asbestos abatement to facilities under the Commission's authority to Strategy B.6.1, Building Design/Construction Management, estimated to be $7,922,331 (consisting of $46 in General Revenue, $89,206 in Capitol Area Complex Fund No. 007, and $7,833,079 in Appropriated Receipts). Any unobligated balances remaining as of August 31, 2002, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002. The commission will notify the Legislative Budget Board and the Governor of all expenditures for emergency repairs.

6. **Transfer Authority - Utilities.** In order to provide for unanticipated cost increases in purchased utilities during fiscal year 2002, the General Services Commission may transfer such amounts as may be necessary to cover such increases from appropriations made in fiscal year 2003 for utilities in B.1.1, Facilities Operation, to amounts appropriated in fiscal year 2002 for utilities. Prior to transferring fiscal year 2003 funds into the 2002 fiscal year, notification shall be given to the Comptroller of Public Accounts of the amounts to be transferred and quarterly reports shall be filed with the Legislative Budget Board and the Governor detailing the necessity for such transfers.

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

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

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

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

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

12. **Reimbursements, Federal Funds.** The General Services Commission is hereby authorized to return to the federal government, funds that were incorrectly included in its cost recovery billings to agencies that receive federal funds. Before a refund can be made to the federal government, a statement of fact must be provided to the State Auditor, and the State Auditor must approve the reimbursement before the State Comptroller can issue the refund.

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

14. **General Services Commission's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts maintain the “General Services Commission's Revolving Account” to account for the expenditures, revenues, and balances of its full cost-recovery operations of Business Machine Repairs, Central Store, Print Shops, Minor Construction, Vehicle Fleet Maintenance, and Design/Construction Management. The expenditures, revenues, and balances for each operation shall be maintained separately by the General Services Commission within its accounting system. In addition to funds appropriated above, any unobligated balances for these operations as of August 31, 2001 (estimated to be $85,000 in Appropriated Receipts) are hereby appropriated to the General Services Commission for use during the 2002–03 biennium, along with any revenues received during the biennium. Any unobligated balances as of August 31, 2002, are appropriated for the same use during fiscal year 2003.

15. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the operation of the Federal Surplus Property program cover, at a minimum, the cost of the appropriations made above for strategy item A.6.1, Federal Surplus Property, as well as the “other direct and indirect costs” associated with this program, appropriated elsewhere in this Act. “Other direct and indirect costs” for strategy item A.6.1, Federal Surplus Property, are estimated to be $610,992 for fiscal year 2002 and $648,116 for fiscal year 2003. In the event that the actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the

appropriation authority provided herein to be within the amount of fee revenue expected to be available. Any unexpended balances as of August 31, 2001 (estimated to be $0), in Surplus Property Service Charge Account Fund 570 are hereby appropriated to the General Services Commission for costs associated with the operations of the Federal Surplus Property Program during the 2002–2003 biennium. Any balances remaining on August 31, 2002, are appropriated for the same use during fiscal year 2003.

16. **Unexpended Balances, Bidders List Fees.** The General Services Commission is hereby authorized to carry forward unexpended balances received from bidders list fees collected during fiscal year 2002 to fiscal year 2003 for the cost of maintaining a consolidated statewide bidders list.

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

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

19. **Capitol Complex–Utilities.** Notwithstanding any other provision in this Act, the General Services Commission shall be responsible for the payment of all utility costs out of appropriated funds in Strategy B.1.1, Facilities Operation, for the Capitol, the Capitol Extension, the Historic Capitol Grounds, and the 1857 General Land Office Building, and the State History Museum.

20. **County Employee Travel.** In addition to amounts appropriated above, all fees paid by local governments to the General Services Commission (GSC) for local law enforcement officials and county employees to use GSC travel service contracts when transporting a state prisoner or traveling on official county business are hereby appropriated to GSC to recover agency costs to Strategy A.5.1, Transportation Management, estimated to be $35,000 in Appropriated Receipts.

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

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

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

24. **Appropriation: Unexpended Balances for Computer Equipment and Software.** In addition to amounts appropriated above, the General Services Commission is hereby appropriated any unexpended balances remaining as of August 31, 2001, estimated to be $82,000, in General Revenue from funds appropriated for Senate Bill 1127, Seventy-sixth Legislature. The funds are hereby appropriated for the sole purpose of completion of the Data Warehouse and Construction Management Systems. All expenditures for technology upgrades and improvements related to these projects must be reviewed and approved by the Legislative Budget Board and the Governor.

25. **Appropriation of Unexpended Deferred Maintenance Funds.** In addition to amounts appropriated above, any unexpended balances remaining as of August 31, 2001, from appropriations for deferred maintenance are hereby appropriated for the 2002–03 biennium to Strategy B.3.1, Deferred Maintenance, estimated to be $669,198 in General Revenue.

26. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the General Services Commission are made contingent on the continuation of the General Services Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

27. **Texas State Cemetery.** Out of funds appropriated above, in Strategies B.1.1, Facilities Operations and B.6.1, Building Design/Construction Management, there is hereby allocated a total of $531,000 for the biennium beginning September 1, 2001, for the purpose of constructing and furnishing a memorial center at the Texas State Cemetery and/or the cemetery annex and for developing and maintaining a master plan.

28. **Telecommunication Revolving Account Fund Account.** All moneys paid into the telecommunication revolving fund account in accordance with the provisions of Chapter 2170, Government Code, are included in the amounts appropriated above (estimated to be $81,500,279 in 2002 and $58,382,766 in 2003 in Appropriated Receipts and Interagency Contracts) and may be expended for the same purposes set out in Chapter 2170, Government Code. This includes services such as planning, development of requests for information and proposals, and contract negotiations. The balance in this account as of August 31, 2001, estimated to be $6,734,250 and not to exceed $18 million, is hereby appropriated and may be expended for those same purposes.

29. **Energy Conservation.** It is the intent of the legislature that state agencies make every reasonable effort to conserve energy in an effort to reduce utility costs. The General Services Commission shall make reasonable efforts to advise and assist state agencies on conservation techniques and strategies.

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

31. **Study on State Office Lease Space.** It is the intent of the Legislature that the General Services Commission, in cooperation with the Texas Workforce Commission, shall use a portion of the funds appropriated above to conduct a study of state agency operating and personnel costs in various regions around the State. The study should include:

    a. an analysis of the cost and availability of office space leases, providing a comparison of average commercial lease rates in both rural and urban Texas counties outside the Austin area;

    b. an estimate of potential moving costs associated with moving certain state agency functions to other regions of the state. This estimate should be based on recommendations for specific Austin-based state agency operations that could feasiblely be located in other areas of the state while providing a cost savings; and

    c. a review of travel costs during the 2000–01 biennium associated with state personnel that are required to travel between field offices and headquarter facilities.

    A copy of the study shall be delivered to the Governor, the Lieutenant Governor, the Speaker, the Members of the Texas Senate and the House of Representatives, and the Legislative Budget Board no later that September 1, 2002.

OFFICE OF THE GOVERNOR

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: GOVERN THE STATE		
Formulation of balanced state policies.		
A.1.1. Strategy: SUPPORT GOVERNOR & STATE	$ 4,509,846	$ 4,499,778
Provide support to Governor and state agencies.		
A.1.2. Strategy: APPOINTMENTS	$ 535,100	$ 537,216
Develop and maintain system of recruiting, screening, and training.		
A.1.3. Strategy: COMMUNICATIONS	$ 2,175,516	$ 2,188,014
Maintain open, active and comprehensive communications, scheduling and correspondence functions.		
A.1.4. Strategy: GOVERNOR'S MANSION	$ 385,400	$ 386,518
Maintain and preserve Governor's Mansion.		
Total, Goal A: GOVERN THE STATE	$ 7,605,862	$ 7,611,526
Grand Total, OFFICE OF THE GOVERNOR	$ 7,605,862	$ 7,611,526
Number of Full-Time-Equivalent Positions (FTE):	136.2	136.2
Schedule of Exempt Positions:		
Governor, Group 5	$115,345	$115,345
Supplemental Appropriations Made in Riders:	$ 2,700,000	$ 0

1. **Unexpended Balances.** Any unexpended balances as of August 31, 2002, in the appropriations made herein to the Office of the Governor are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

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

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

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

5. **Unexpended Balances.** Any unexpended balances as of August 31, 2001 in appropriations made to the Office of the Governor, including appropriations for Trusteed Programs, estimated to be $2,700,000, are hereby appropriated to the Office of the Governor for the biennium beginning September 1, 2001.

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

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

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROGRAMS ASSIGNED		
Administer programs assigned to the Governor.		
Outcome (Results/Impact):		
Percentage of CJD Grants Complying with CJD Guidelines	98%	98%
Estimated Production Budgets of Films and Videos Made in Texas (in Millions)	270	270
Percent Reduction in Violent Crime Rate - Project Spotlight	5%	5%
Percent of Offenders Re-adjudicated/Convicted - Project Spotlight	5%	5%
A.1.1. Strategy: AGENCY GRANT ASSISTANCE	$ 4,500,000	$ UB
Provide emergency and deficiency grants to state agencies.		
A.1.2. Strategy: DISASTER FUNDS	$ 7,000,000	$ UB
Provide disaster funding.		
A.1.3. Strategy: REGIONAL GRANT ASSISTANCE	$ 2,500,000	$ 2,500,000
Provide financial grant assistance to regional planning commissions.		
A.1.4. Strategy: CRIMINAL JUSTICE	$ 144,409,811	$ 130,254,088
Research, provide seed money to, and to promote replication of measurably successful programs in criminal justice.		
Output (Volume):		
Number of Grants Currently Operating	1,500	1,500
Percent Increase in the Number of Arrests - Project Spotlight	20%	20%
Number of Revocations of Community Supervision or Parole Violations Identified - Project Spotlight	1,365	1,365
A.1.5. Strategy: FILM AND MUSIC MARKETING	$ 810,940	$ 813,290
Market Texas as a film location and promote the Texas music industry.		
Output (Volume):		
Number of Individuals and Companies Assisted by Texas Music Office	14,000	14,000
A.1.6. Strategy: DISABILITY ISSUES	$ 334,927	$ 347,393
Inform organizations and general public of disabilities issues.		

*See also House Bill 1333.

Output (Volume):		
Number of Local Volunteer Committees on People with Disabilities Supported	49	54
A.1.7. Strategy: WOMEN'S GROUPS Network statewide women's groups in Texas.	$ 121,907	$ 121,907
A.1.8. Strategy: TEXAS ISSUES Make Texas issues known at membership meetings.	$ 810,450	$ 810,450
A.1.9. Strategy: HEAD START Enhance the capacity of Head Start and other early childhood programs to improve outcomes and opportunities for young children in Texas.	$ 250,000	$ 250,000
A.1.10. Strategy: COUNTY ESSENTIAL SERVICE GRANTS Provide financial assistance to counties for essential public services.	$ 500,000	$ 500,000
Total, Goal A: PROGRAMS ASSIGNED	$ 161,238,035	$ 135,597,128
Grand Total, TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR	$ 161,238,035	$ 135,597,128
Method of Financing:		
General Revenue Fund	$ 17,829,044	$ 6,343,860
General Revenue Fund - Dedicated		
Criminal Justice Planning Account No. 421	36,904,439	23,600,000
Crime Stoppers Assistance Account No. 5012	1,292,337	470,000
Subtotal, General Revenue Fund - Dedicated	$ 38,196,776	$ 24,070,000
Federal Funds	105,135,215	105,106,268
Appropriated Receipts	77,000	77,000
Total, Method of Financing	$ 161,238,035	$ 135,597,128
Number of Full-Time-Equivalent Positions (FTE):	61.8	61.8
Supplemental Appropriations Made in Riders:	$ 225,000	$ 200,000

1. **Emergency, Deficiency and Disaster Grants.** Any unexpended balances as of August 31, 2001, in appropriations for deficiency, emergency and disaster grants made in House Bill 1, Seventy-sixth Legislature, Regular Session, are hereby appropriated for the biennium beginning September 1, 2001. The purposes of these appropriations are for payments of claims arising prior to the convening of the next Legislature by the Governor in accordance with § 403.075, Government Code for emergency use in accordance with §§ 401.061-401.065, Government Code, for grants-in-aid in cases of disasters, and for other purposes needed in the operations of State departments and agencies, including legal defense of officials and employees. Upon certification by the Governor that an emergency exists within the scope of the above cited provisions in an agency funded out of special funds, there are hereby appropriated amounts necessary from special funds to meet the deficiency, emergency or disaster. The Comptroller of Public Accounts shall transfer from the special fund to the appropriation account the amount certified as necessary to meet the deficiency, emergency or disaster. Transfers made under this

provision shall be made only when sufficient balances over appropriated amounts exist in the special fund. The Governor may, according to the terms of the deficiency, emergency or disaster award, require the agency to repay all or part of the award. The repayment may be accomplished by purchase voucher, journal entry, or other procedures established by the Governor with the concurrence of the Comptroller of Public Accounts.

2. **Appropriation of Earned Federal Funds.** In addition to amounts appropriated above to the Office of the Governor, any balances remaining as of August 31, 2001, plus any revenues received during the biennium beginning September 1, 2001 identified as earned federal funds (estimated to be $425,000) are hereby appropriated to the Office of the Governor for use in the operations of the office.

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

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

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

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

7. **Unexpended Balances.** Any unexpended balances as of August 31, 2002 in the appropriations made herein to the Trusteed Programs within the Office of the Governor are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

8. **Federal Grants.** Funds received from the federal government for grants to the Trusteed Programs within the Office of the Governor that are directed to earn interest for the 2002-03 biennium will be deposited to General Revenue–Dedicated Account No. 224, Governor's Office Federal Projects, and are to be expended as directed by the grant.

9. **Drug Task Forces.** Included in amounts appropriated above in Strategy A.1.4, Criminal Justice, the Criminal Justice Division of the Office of the Governor is authorized to provide the local matching funds required for cities or counties with less than 50,000 residents to participate in drug task forces. The Criminal Justice Division may establish criteria for payment of local matching funds, including a requirement that any matching funds paid by the state not supplant funds used by the local government for law enforcement purposes.

TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR
(Continued)

10. **Criminal Justice Planning Funds.** Out of amounts appropriated above in Strategy A.1.4, Criminal Justice, the Criminal Justice Division shall transfer $3,898,843 in fiscal year 2002 and $3,878,407 in fiscal year 2003 funds from General Revenue–Dedicated Criminal Justice Planning Account No. 421 to the Texas Department of Criminal Justice (TDCJ). The amounts transferred by this provision do not require a grant application and are not restricted to project specific purposes. CJD may require a periodic accounting from TDCJ regarding its expenditures from these funds.

11. **Treatment Alternative to Incarceration Program.** Out of funds appropriated above to provide emergency and deficiency grants to state agencies, $3,250,000 in fiscal year 2002 and $3,250,000 in fiscal year 2003 is allocated to the Texas Department of Criminal Justice for the Treatment Alternative to Incarceration Program.

12. **Safe and Drug Free Schools and Communities Act.** Out of federal funds appropriated above in Strategy A.1.4, Criminal Justice, the Governor's Criminal Justice Division is directed to enter into an interagency contract for an estimated amount of $6,884,037 in fiscal year 2002 and an estimated amount of $6,889,000 in fiscal year 2003 with the Commission on Alcohol and Drug Abuse to administer the Safe and Drug Free Schools and Communities Act. The Commission on Alcohol and Drug Abuse may enter into agreements with councils of government, school districts or regional education service centers to solicit, review, prioritize or select applications for Safe and Drug Free Schools discretionary grant funds previously administered by the Governor's Criminal Justice Division.

13. **County Essential Grants.** Funds appropriated above to provide County Essential Service Grants are to provide assistance to counties that 1) have levied the maximum state tax set out in Section 9 (a), Article VIII, Texas Constitution, for the two-year period preceding the receipt of any grant funds, and 2) levy a county sales tax. The Office of the Governor shall adopt procedures and requirements to award these grants to eligible counties and to ensure that the funds are only utilized for the provision of a law enforcement service, including the provision of a jail or court, the provision or maintenance of a public building, or the provision of public record keeping.

14. **Drug Court Grants.** Out of the amounts appropriated above in Strategy, A.1.4, Criminal Justice, $750,000 each fiscal year out of the General Revenue Fund shall be used to provide grants to drug courts. It is the intent of the Legislature that the presiding judge of a drug court must be an active judge holding elective office or a master. It is the intent of the Legislature that persons eligible for appointment may not be a former or retired judicial officer.

HISTORICAL COMMISSION*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: HISTORICAL PRESERVATION Preserve our state's irreplaceable historic landmarks and artifacts for the enjoyment, education, and benefit of the public, and the enrichment of future generations.		
Outcome (Results/Impact):		
Number of Properties Protected through Designations Annually	2,117	2,160
Percentage of Rehabilitations Completed	85%	85%

*See also House Bill 1333.

A.1.1. Strategy: ARCHITECTURAL ASSISTANCE	$ 502,370	$ 507,310
Protect Texas' diverse architectural heritage by providing technical assistance for the responsible rehabilitation and preservation of properties.		
Output (Volume):		
Number of Historic Properties Provided Technical Assistance, Monitoring, and Mandated State and/or Federal Architectural Reviews in Order to Encourage Preservation	2,785	2,800
A.1.2. Strategy: PRESERVATION TRUST FUND	$ 2,908,748	$ 433,808
Provide financial assistance through the Preservation Trust Fund for critical preservation projects.		
Output (Volume):		
Number of Preservation Trust Fund Grants Awarded	26	26
A.1.3. Strategy: ARCHEOLOGICAL HERITAGE PROTECTION	$ 1,394,954	$ 1,294,999
Protect Texas' diverse archeological heritage through state and federally mandated cultural resource reviews, historic property management programs, volunteer efforts, and public outreach.		
Output (Volume):		
Number of Construction Projects Reviewed for Archeological Impact	6,825	6,850
Number of Outreach and Technical Materials Distributed through Print or Electronic Media	220,000	220,000
A.1.4. Strategy: EVALUATE/INTERPRET RESOURCES	$ 1,432,138	$ 1,000,786
Provide information, programs, and services to private, public, and nonprofit constituents for the identification, evaluation, preservation, and interpretation of historic resources.		
Output (Volume):		
Number of Public Presentations and Workshops Given	59	60
Number of Sites, Properties, and Other Historical Resources Evaluated	5,415	5,440
A.1.5. Strategy: COURTHOUSE PRESERVATION	$ 49,753,600	$ 253,600
Provide financial and technical assistance through the Texas Historic Courthouse Preservation Program for critical courthouse preservation projects.		
A.2.1. Strategy: DEVELOPMENT ASSISTANCE	$ 1,640,546	$ 1,198,046
Provide technical assistance to public, private, and nonprofit entities to encourage the process of preservation, development, and revitalization of Main Street cities, promotion and development of heritage tourism, and other local and regional heritage initiatives.		
Output (Volume):		
Number of Properties and Sites Assisted	1,957	2,016
Total, Goal A: HISTORICAL PRESERVATION	$ 57,632,356	$ 4,688,549
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 992,388	$ 992,388
Grand Total, HISTORICAL COMMISSION	$ 58,624,744	$ 5,680,937

Method of Financing:		
General Revenue Fund	$ 55,882,836	$ 3,215,991
GR Dedicated - Texas Preservation Trust Fund Account No. 664	375,000	400,000
Federal Funds	734,097	734,097
Other Funds		
Appropriated Receipts	371,837	301,561
Interagency Contracts	1,260,974	1,029,288
Subtotal, Other Funds	$ 1,632,811	$ 1,330,849
Total, Method of Financing	$ 58,624,744	$ 5,680,937
Number of Full-Time-Equivalent Positions (FTE):	109.0	107.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$85,000	$85,000
Supplemental Appropriations Made in Riders:	$ 1,078,384	$ 0

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

	2002	2003
Out of the General Revenue Fund:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair/rehabilitation of the Sam Rayburn House Structures	$ 50,000	$ UB
Total, Repair or Rehabilitation of Buildings and Facilities	$ 50,000	$ UB
b. Acquisition of Information Resource Technologies		
(1) Personal Computers and Servers	47,000	47,000
Total, Acquisition of Information Resource Technologies	$ 47,000	$ 47,000
Total, Capital Budget	$ 97,000	$ 47,000

2. **Sam Rayburn House Caretaker.** A designated employee of the Texas Historical Commission is authorized to live on the grounds of the Sam Rayburn House Museum in Bonham, Texas at a rate to be determined by the Commission as set forth in Article IX, § 9.09, State Owned Housing-Recovery Housing Costs.

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

4. **Promotional Materials.** The Texas Historical Commission is hereby authorized to purchase promotional educational materials for resale or donation purposes during the biennium beginning September 1, 2001. All receipts received from the sale of these materials are hereby appropriated to the Commission for the administration and operation of agency programs. Any unexpended balances on hand as of August 31, 2002, from the sale of these materials are appropriated for the fiscal year beginning September 1, 2002.

5. **Registration of Historic Cemeteries.** The Texas Historical Commission is hereby authorized to collect funds for the registration of historic cemeteries. All fees collected pursuant to registration of historic cemeteries (estimated at $1,900 in Appropriated Receipts in each fiscal year and included above) are appropriated to the Texas Historical Commission for the purpose of administering the Historic Cemetery Program for the biennium beginning September 1, 2001.

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

   State Board of Review

7. **Preservation Trust Fund.** Out of the amounts appropriated above in Strategy A.1.2, Preservation Trust Fund, $2.5 million in general revenue funds may be transferred to the Texas Preservation Trust Fund dedicated account in the General Revenue Fund and is hereby appropriated to the Preservation Trust Fund dedicated account. In addition to the amounts appropriated above from the Preservation Trust Fund dedicated account ($375,000 in fiscal year 2002 and $400,000 in fiscal year 2003), any gifts, donations, and interest earnings deposited to the Preservation Trust Fund dedicated account on or after September 1, 2001, are hereby appropriated to the Historical Commission.

8. **Tourism: Promotion of Historical Sites.** Out of amounts included above in Strategy A.2.1, Development Assistance, the Texas Historical Commission, pursuant to VTCA, Government Code, Chapter 481.172 and Chapter 442.005(s), shall expend $300,000 during the biennium beginning September 1, 2001, transferred from the Texas Department of Economic Development, and $1 million during the biennium beginning September 1, 2001, transferred from the Texas Department of Transportation through interagency contract, to showcase historical sites in order to promote tourism and to encourage travel to the states historical attractions.

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

10. **Cooperation with the General Services Commission.** The Historical Commission shall cooperate with the General Services Commission, or its successor agency, for all bidding and contracting related to capital construction improvements on buildings owned and maintained by the Historical Commission.

11. **Military Sites Program.** Included in amounts appropriated above in Strategy A.1.1, Architectural Assistance, is $22,500 in general revenue funds in each year of the biennium for the purpose of continuing and further developing a military sites program and restoring Texas military monuments in and outside the state. Appropriation of these amounts is contingent upon

receipt by the Historical Commission, or by the Friends of the Texas Historical Commission, of private contributions, gifts, and donations, for the same purpose, in the amount of $45,000 over the biennium. In the event that private contributions, gifts, and donations received total less than $45,000 over the biennium, the appropriation is reduced to an amount which equals the total contributions, gifts, and donations received. Any unexpended balances of these funds remaining as of August 31, 2002, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2002, for the same purpose.

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

    Any unexpended balances of these funds remaining as of August 31, 2002, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2002, for the same purpose.

13. **Appropriation of Receipts.** All fees that the Texas Historical Commission is authorized by statute to collect are hereby appropriated for the specific purpose named in the statute for the biennium beginning September 1, 2001.

14. **Unexpended Balances: Acquisition of Historical Artifacts.** Any unexpended balances remaining as of August 31, 2001, from the appropriation made by the Seventy-sixth Legislature for the acquisition of historic artifacts, are hereby appropriated to the Historical Commission for the biennium beginning September 1, 2001, for the same purpose. The Historical Commission shall develop a plan and process for the purchase and acquisition of documents, records, and/or other historical artifacts relating to Texas history prior to the purchase or acquisition of any such items, and shall coordinate with the State Preservation Board and the Texas State Library and Archives Commission. In addition, the Commission shall coordinate the purchase or acquisition of the historical artifacts with institutions involved in historic preservation programs reflective of racial, ethnic, and cultural diversity throughout the state. The Historical Commission must also report on the status of acquisitions to the Governor and the Legislative Budget Board within 30 days of such acquisition.

15. **Texas Emancipation Juneteenth Cultural and Historical Commission.** There is hereby appropriated $300,000 out of the General Revenue Fund in fiscal year 2002 for the purpose of funding the activities and operations of the Texas Emancipation Juneteenth Cultural and Historical Commission.

    Any unexpended balances of funds for the Juneteenth Commission on hand as of August 31, 2001 (estimated to be $778,384), and August 31, 2002, are hereby appropriated to the Historical Commission for the fiscal years beginning September 1, 2001, and September 1, 2002, respectively, for the same purpose. Included above in the "Number of Full-time Equivalent Positions" is 1.5 FTEs in each year of the biennium to assist in carrying out the duties and responsibilities of the Texas Emancipation Juneteenth Cultural and Historical Commission. Any amounts appropriated to the Texas Emancipation Juneteenth Cultural and Historical Commission may be used for capital budget purposes for the acquisition of monuments. Such amounts are hereby exempted from the capital budget provisions contained in Article IX of this Act.

Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above for the purpose of funding the activities and operations of the Texas Emancipation Juneteenth Cultural and Historical Commission, is limited to the following advisory committee: Juneteenth Advisory Committee.

16. **Unexpended Balances: Gifts and Donations.** Any balances on hand as of August 31, 2001, and August 31, 2002, received as a gift or donation are hereby appropriated to the Historical Commission for the fiscal years beginning September 1, 2001, and September 1, 2002, respectively, for the purpose specified by the donors.

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

18. **Unexpended Balances: Courthouse Preservation Program.** Any unexpended balances remaining as of August 31, 2001, from the appropriation made to Strategy A.1.5, Courthouse Preservation, by the Seventy-sixth Legislature, Regular Session, are hereby appropriated to the Historical Commission for the biennium beginning September 1, 2001, for the same purpose.

    Any unexpended balances of these funds remaining as of August 31, 2002, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2002, for the same purpose.

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

20. **Courthouse Preservation Grants.** Funds appropriated above to Strategy A.1.5, Courthouse Preservation, may be used for a courthouse or historic structure previously designated by municipal ordinance as the legal center of a county and that is listed on the National Register of Historic Places.

21. **Pearce Civil War Collection.** Included in amounts appropriated above is $500,000 in general revenue funds to Strategy A.1.4, Evaluate and Interpret Resources, for fiscal year 2002 to be used for the preservation, display, and educational exhibits of the Pearce Civil War Collection at Navarro College. This is a one-time appropriation to provide for collection preservation displays, humidity control preservation equipment, document observation and display areas, education exhibits, and research and conference areas. These funds may only be expended after the commission has certified that private funds equal to $500,000 have been raised by the Navarro College for the preservation, display, and educational exhibits of the Pearce Collection.

    Any unexpended balances of these funds remaining as of August 31, 2002, are hereby appropriated to the Historical Commission for the fiscal year beginning September 1, 2002, for the same purpose.

COMMISSION ON HUMAN RIGHTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ANTIDISCRIMINATION LAWS		
To provide leadership in the development and effective administration of policies and laws designed to prohibit and reduce discrimination in Texas.		
Outcome (Results/Impact):		
Percent of Investigations Complying with the Commission's Quality Control Standards and the US EEOC's Substantial Weight Review Standards	98%	98%
A.1.1. Strategy: INVESTIGATIONS	$ 1,988,174	$ 1,943,166
Conduct all investigations in accordance with the commission's quality control standards and the US EEOC and HUD substantial weight review standards and increase effective utilization of the alternative dispute resolution process.		
Output (Volume):		
Number of Complaints Resolved	1,617	1,617
B. Goal: TRAINING AND ASSISTANCE		
To prevent employment and housing discrimination in Texas by providing comprehensive training and technical assistance on laws prohibiting such discrimination and actively marketing such training.		
Outcome (Results/Impact):		
Percent Reduction Per Year in Employment Discrimination Complaints Filed with the Commission Against State Agencies and Institutions of Higher Education Receiving Training	5%	5%
B.1.1. Strategy: TRAINING	$ 348,960	$ 353,472
Provide technical assistance and comprehensive training on compliance with laws prohibiting discrimination.		
Output (Volume):		
Number of Voluntary Training Sessions Conducted	135	150
Efficiencies:		
Average Cost to Texas Commission on Human Rights Per Training Session Conducted	750	750
B.1.2. Strategy: MONITOR PERSONNEL POLICY	$ 162,895	$ 164,955
Review affirmative action plans of state agencies and institutions of higher education through technical assistance to ensure that such affirmative action plans are in compliance with the Texas Commission on Human Rights Act; and review and provide technical assistance on all personnel policies of those same entities.		
Output (Volume):		
Number of On-site Reviews	33	33
Total, Goal B: TRAINING AND ASSISTANCE	$ 511,855	$ 518,427
Grand Total, COMMISSION ON HUMAN RIGHTS	$ 2,500,029	$ 2,461,593

Method of Financing:		
General Revenue Fund	$ 796,248	$ 694,669
Federal Funds	1,375,474	1,375,474
Other Funds		
Appropriated Receipts	95,000	105,000
Interagency Contracts	233,307	286,450
Subtotal, Other Funds	$ 328,307	$ 391,450
Total, Method of Financing	$ 2,500,029	$ 2,461,593
Number of Full-Time-Equivalent Positions (FTE):	49.0	49.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$62,000	$62,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase of Personal Computers and Local Area Network	$ 75,189	$ 6,949
Total, Capital Budget	$ 75,189	$ 6,949

2. **Cash Flow Contingency.**

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

   b. The Commission on Human Rights may temporarily utilize additional General Revenue Funds pending reimbursement through interagency contracts in an amount not to exceed 50 percent of the estimated interagency contract receipts to be received each year of the

biennium to be adjusted by actual contract amounts. The General Revenue amounts utilized above the General Revenue method of finance must be repaid upon receipt of interagency contract reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be in accordance with procedures established by the Comptroller. Any contract balance at the end of the first fiscal year of the biennium is hereby appropriated to the second fiscal year of the biennium.

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

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

TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENCOURAGE PARTICIPATION To encourage the development of productive and innovative state agencies and employees and to recognize employees for their efforts to save money, increase revenues, and improve services. Texas Civil Statutes, Government Code, 2108.022.		
Outcome (Results/Impact):		
Actual Total Savings/Revenues from Approved Suggestions	2,850,000	2,950,000
A.1.1. Strategy: EDUCATION AND PROMOTION Educate employees and program coordinators/contacts and conduct program promotional activities.	$ 150,340	$ 133,340
Output (Volume):		
Number of Training and Promotion Hours	4,576	4,576
Efficiencies:		
Average Cost Per Training Hour	22.55	22.55
A.2.1. Strategy: REVIEW AND APPROVAL Conduct staff review and commission consideration of employee suggestions within 90 days.	$ 103,032	$ 103,032
Efficiencies:		
Average Cost to Process SEIP Suggestions	40.29	39.19
Total, Goal A: ENCOURAGE PARTICIPATION	$ 253,372	$ 236,372
Grand Total, TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION	$ 253,372	$ 236,372

TEXAS INCENTIVE AND PRODUCTIVITY COMMISSION
(Continued)

Method of Financing:		
General Revenue Fund	$ 236,372	$ 236,372
Appropriated Receipts	17,000	0
Total, Method of Financing	$ 253,372	$ 236,372
Number of Full-Time-Equivalent Positions (FTE):	6.0	6.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$49,500	$49,500

1. **Appropriation, Employee Recognition Awards.** Included in amounts appropriated above in Strategy A.1.1, Education and Promotion, is $7,500 in General Revenue for the sole purpose of granting recognition awards of $50 each as provided for in VTCA, Government Code §2108.0235. In the event that the Commission grants fewer awards than projected, the Commission shall lapse the remaining balance to the General Revenue Fund. In the event that the Commission grants more than the projected number of awards, the Commission is hereby appropriated an amount not to exceed $50 for each additional award from General Revenue for the same purpose.

2. **Awards for Statewide Suggestions Approved Under the State Employee Incentive Program.** In the event that an employee suggestion approved under the State Employee Incentive Program results in savings or revenue increases in funds that are not appropriated to the agency that implemented the employee suggestion, the Comptroller shall transfer 10 percent of the savings or revenue increases from the fund or account that realized the savings or revenue increases to the Texas Incentive and Productivity Commission to pay employee awards under VTCA, Government Code § 2108.037. These funds are hereby appropriated to the Texas Incentive and Productivity Commission for such use.

DEPARTMENT OF INFORMATION RESOURCES*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROMOTE EFFICIENT IR SYSTEMS		
Promote a statewide environment which encourages efficient use and management of information resources and assist the state leadership in achieving its goals by offering advice on information resources issues.		
A.1.1. Strategy: STATEWIDE PLANNING	$ 1,083,955	$ 1,054,456
Produce the Biennial Statewide Information Resources Strategic Plan and related performance reports and analyses, issue statewide recommendations and participate in interagency task forces.		
Output (Volume):		
Number of Project Briefs/Issue Papers Produced	7	7
A.2.1. Strategy: STANDARDS AND EDUCATION	$ 961,242	$ 935,081
Develop technical standards, policies and reports on new technologies and procedures and provide educational programs to state agency personnel, including information resource managers.		
Output (Volume):		
Number of Technical and Industry Standards Reviewed	65	65

*Pursuant to Senate Bill 311, certain duties of the General Services Commission related to providing telecommunication services for state government or to the establishment of the electronic procurement marketplace or the electronic commerce network are transferred to the Department of Information Resources. See also House Bill 1333.

DEPARTMENT OF INFORMATION RESOURCES
(Continued)

Efficiencies:		
Average Cost Per Policy, Guideline and Standard Produced	500	500
Total, Goal A: PROMOTE EFFICIENT IR SYSTEMS	$ 2,045,197	$ 1,989,537
B. Goal: COST EFFECTIVE IR ACQUISITION		
Assist state agencies and other governmental entities in the most cost-effective acquisition of their information resources.		
Outcome (Results/Impact):		
Cooperative Services Dollar Saved/Avoided Per Dollar of Program Operating Cost	10.5	10.5
B.1.1. Strategy: CONTRACT ADMINISTRATION	$ 1,845,263	$ 1,875,154
Assist state agencies and other governmental entities in the most cost effective acquisition of their information resources by negotiating, managing, and administering contracts with the major information technology providers.		
Output (Volume):		
Total Savings and Cost Avoidance through Utilization of Cooperative Services	33,400,000	33,400,000
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 887,853	$ 895,244
C.1.2. Strategy: INFORMATION RESOURCES	$ 667,432	$ 703,532
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 343,564	$ 335,677
Total, Goal C: INDIRECT ADMINISTRATION	$ 1,898,849	$ 1,934,453
Grand Total, DEPARTMENT OF INFORMATION RESOURCES	$ 5,789,309	$ 5,799,144
Method of Financing:		
General Revenue Fund	$ 2,664,629	$ 2,619,854
Appropriated Receipts	1,499,846	1,526,060
Interagency Contracts	1,624,834	1,653,230
Total, Method of Financing	$ 5,789,309	$ 5,799,144
Number of Full-Time-Equivalent Positions (FTE):	94.5	94.5
Schedule of Exempt Positions:		
Executive Director, Group 5	$120,000	$120,000
Supplemental Appropriations Made in Riders:	$ 250,000	$ 250,000

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Computer Hardware	100,500	60,500
(2) Computer Software	5,000	5,000
(3) Statewide Security Assessment	$ 0	$ 25,000
Total, Acquisition of Information Resource Technologies	$ 105,500	$ 90,500
Total, Capital Budget	$ 105,500	$ 90,500
Method of Financing (Capital Budget):		
General Revenue Fund	$ 50,800	$ 58,550
Appropriated Receipts	26,256	15,336
Interagency Contracts	28,444	16,614
Total, Method of Financing	$ 105,500	$ 90,500

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

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

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

   c. To pay salaries, wages, and other costs directly attributable to the services provided to state agencies and units of local government for which the department receives payment from those agencies and governmental units.

   The balance of the account shall not exceed more than 10 percent of the total revenue processed through the account. All balances as of August 31, 2001, and revenues accruing during the 2002–03 biennium to the Department of Information Resources clearing fund account are hereby appropriated for the 2002–03 biennium. As part of its Comprehensive Annual Financial Report showing the use of appropriated funds, the Department of Information Resources shall include information showing the costs avoided and/or savings obtained through its cooperative activities and a list of the agencies or units of local government for which the clearing fund account was used.

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

4. **Cash Flow Contingency.** Contingent upon receipt of reimbursements for state agencies and other governmental entities for procurements made through the Cooperative Contracts program, the department may temporarily utilize additional general revenue funds in an amount not to exceed 10 percent of projected annual sales or $4.0 million, whichever is greater. These funds shall be utilized only for the purpose of temporary cash flow needs. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 2003.

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

6. **Interagency Contract.** It is the intent of the Legislature that the Department of Information Resources (Department) shall, pursuant to its obligations under § 322.007(a), Government Code, provide information to the Legislative Budget Board (Board) and shall enter into an interagency contract with the Board under which the Board shall evaluate and review agencies' information planning and information systems and strategic and biennial operating plans and provide the Legislature with analysis and recommendations regarding appropriation requests made by agencies for acquisition of information systems. In addition, the Director of the Board must provide (pursuant to Government Code § 322.004(b)) recommendations to the Board, the Department and to the Legislature regarding state agencies' information systems.

7. **Appropriations Limited to Revenues Collections: Texas Online Project.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of Senate Bill 187, or similar legislation relating to the Texas Online Project, in addition to amounts appropriated above, the Department of Information Resources is hereby appropriated revenue collected in an amount not to exceed $500,000 out of Appropriated Receipts generated by the Texas Online Project for the 2002-03 biennium for the continued operation and expansion of the Texas Online Project.

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

9. **Reduce the State Reporting Burden on Texas Cities and Counties.** The Department of Information Resources (DIR) shall perform a comprehensive examination of the state's reporting requirements as detailed in the Comptroller's e-Texas report, issue GP-4. In coordination with a working group comprised of representatives of the Comptroller's Office, other state agencies, and local governments, DIR should compile a list of recommendations for the 2003 Legislature for streamlining and reducing reporting requirements on cities and counties. The first step should be to establish an inventory of required reports. Other purposes of these recommendations should be to improve data accuracy, electronic infrastructure, and access to data by the public and elected officials at all levels of government for better decision-making. It is the intent of this Legislature that state agencies cooperate with this working group, review existing reporting requirements, and wherever possible, place a moratorium on additional

requirements, unless they are specifically required by law or essential to agency missions. Finally, the working group should examine the state-funded telecommunications networks that connect with county courthouses to determine the costs and benefits of consolidating these systems.

In addition, DIR in coordination with the Comptroller's Office, local governments, state and federal agencies, the Conference of Urban Counties, the Texas Association of Counties, and the Texas Municipal League should develop functional specifications for a statewide electronic data clearinghouse. During the fiscal 2002-03 biennium, DIR should develop policies, procedures, data standards, training materials, and perform other duties to prepare for the establishment of the clearinghouse in fiscal 2004. DIR should develop options for funding the ongoing maintenance, or expansion of the clearinghouse such as using resources from participating agencies to recoup the cost. Each option should address the potential impact on participation.

LIBRARY & ARCHIVES COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: DELIVERY OF SERVICES		
To improve the availability and delivery of library and information services for all Texans.		
Outcome (Results/Impact):		
Percent of the Population Living Outside of the Service Areas of Public Libraries	6.4%	6.1%
Percent of Eligible Population Registered for Talking Book Program Services	8.1%	8%
A.1.1. Strategy: LIBRARY RESOURCE SHARING	$ 6,392,836	$ 4,927,714
Share library resources among libraries statewide through interlibrary loan, electronic library services, state publications clearinghouse and other projects.		
Output (Volume):		
Number of Persons Provided Project-sponsored Services by Shared Resources	1,361,613	1,468,246
A.1.2. Strategy: TEXAS LIBRARY SYSTEM	$ 8,334,391	$ 8,334,391
Support the Texas Library System (TLS) by funding programs to improve regional groups of libraries, including purchasing materials and equipment, technical assistance and training, and other cooperative projects.		
Output (Volume):		
Number of Persons Provided Project-sponsored Services by the Texas Library System	1,549,128	1,550,016
A.1.3. Strategy: LOCAL LIBRARIES	$ 6,228,057	$ 6,011,168
Provide services and grants to aid in the development of local libraries, including direct grants, continuing education and consulting, Texas Reading Club, and other services.		
Output (Volume):		
Number of Persons Provided Local Library Project-sponsored Services	751,540	646,197

A.1.4. Strategy: TEXSHARE LIBRARY CONSORTIUM	$ 9,633,253	$ 9,483,253
Enhance resource sharing among TexShare libraries by providing statewide licensing of databases, access to library collections, and assistance in document delivery (non-transferable).		
Output (Volume):		
Number of Persons Provided Services by TexShare	4,262,342	4,687,149
A.2.1. Strategy: DISABLED SERVICES	$ 1,679,319	$ 1,646,819
Provide direct library service by mail to Texas citizens with disabilities from a centralized collection of large-print, braille, and recorded books.		
Output (Volume):		
Number of Persons Served	21,598	21,698
Total, Goal A: DELIVERY OF SERVICES	$ 32,267,856	$ 30,403,345
B. Goal: GOV'T & PUBLIC ACCESS		
To improve the availability and delivery of information services to state government, and to persons seeking current and historical information from state government.		
Outcome (Results/Impact):		
Percent of Reference Questions Satisfactorily Answered	92%	92%
B.1.1. Strategy: ACCESS TO GOVERNMENT INFORMATION	$ 1,416,139	$ 1,498,979
Provide ready access to information in government publications, records, and other sources.		
Output (Volume):		
Number of Reference Questions Satisfactorily Answered	69,000	69,000
C. Goal: MANAGE STATE-LOCAL RECORDS		
To provide for the cost-effective management of all state and local government records.		
C.1.1. Strategy: MANAGE STATE-LOCAL RECORDS	$ 2,419,762	$ 2,423,894
Provide records management training, consulting, and storage services to state agencies and local government officials.		
Output (Volume):		
Number of Cubic Feet Stored/Maintained	325,000	333,000
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,876,576	$ 1,876,576
Grand Total, LIBRARY & ARCHIVES COMMISSION	$ 37,980,333	$ 36,202,794
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 13,073,040	$ 13,101,413
Earned Federal Funds	110,630	110,630
Subtotal, General Revenue Fund	$ 13,183,670	$ 13,212,043
Federal Funds		
Federal Funds	5,000	55,000
Federal Public Library Service Fund No. 118	8,866,120	8,929,923
Subtotal, Federal Funds	$ 8,871,120	$ 8,984,923

Other Funds		
Telecommunications Infrastructure Fund No. 345	2,900,000	2,900,000
Appropriated Receipts	304,148	184,148
Interagency Contracts	12,721,395	10,921,680
Subtotal, Other Funds	$ 15,925,543	$ 14,005,828
Total, Method of Financing	$ 37,980,333	$ 36,202,794
Number of Full-Time-Equivalent Positions (FTE):	210.5	210.5
Schedule of Exempt Positions:		
Director-Librarian, Group 3	$85,000	$85,000
Per Diem of Commissioners	1,080	1,080
Supplemental Appropriations Made in Riders:	$ 250,000	$ 250,000

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Acquisition of New or Replacement Computer Resources for Desktop Workstations and Maintenance of the Agency Network	$ 162,300	$ 159,800
(2) Information Technology Capital Items for the Library of Texas Initiative	3,344,000	1,637,575
Total, Acquisition of Information Resource Technologies	$ 3,506,300	$ 1,797,375
b. Transportation Items		
(1) Acquisition of Mission-Critical Delivery Vehicles for the State Records Management Program	20,500	20,500
Total, Transportation Items	$ 20,500	$ 20,500
c. Acquisition of Capital Equipment and Items		
(1) Materials to be Added to the Collections of the Texas State Library	114,232	114,232
(2) Acquisition of Microfilm or Imaging Equipment for the State and Local Records Management Division	61,295	66,295
Total, Acquisition of Capital Equipment and Items	$ 175,527	$ 180,527
Total, Capital Budget	$ 3,702,327	$ 1,998,402

Method of Financing (Capital Budget):

General Revenue Fund		
General Revenue Fund	$ 171,632	$ 169,132
Subtotal, General Revenue Fund	$ 171,632	$ 169,132
Federal Funds		
Federal Public Library Service Fund No. 118	16,000	16,000
Subtotal, Federal Funds	$ 16,000	$ 16,000
Other Funds		
Appropriated Receipts	52,100	52,100
Interagency Contracts	3,462,595	1,761,170
Subtotal, Other Funds	$ 3,514,695	$ 1,813,270
Total, Method of Financing	$ 3,702,327	$ 1,998,402

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

3. **Unexpended Balances: Imaging and Storage Fees.** Any unexpended balances on hand as of August 31, 2002, from fees collected by the Texas State Library and Archives Commission for the purpose of cost recovery of imaging state and local government records on film and/or electronic storage media, and from state agencies for the storage of state records, as authorized by VTCA, Government Code § 441.182, are hereby appropriated to the Texas State Library and Archives Commission for the fiscal year beginning September 1, 2002.

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

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

5. **Appropriation of Receipts and Unexpended Balances of TexShare Membership Fees and Reimbursements.** Included in amounts appropriated above are all fees collected by the Texas State Library and Archives Commission from members of the TexShare Library Resource Sharing consortium for cost sharing and/or joint purchase of services and materials (estimated to be $114,096 each fiscal year and included above in Strategy A.1.4, TexShare Library Consortium), as authorized by VTCA, Government Code § 441.224.

   Any unexpended balances on hand as of August 31, 2001 (estimated to be $150,000 and included above) in amounts collected from TexShare members for TexShare services or programs are hereby appropriated for the same purpose for the biennium beginning September 1, 2001.

6. **Cash Flow Contingency.** Contingent upon reimbursements from state agencies and other governmental, and private entities for imaging and records storage services, the agency may temporarily utilize general revenue funds, not to exceed $500,000. These funds shall be utilized

only for the purpose of temporary cash flow needs. The transfer and reimbursements of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed to the Treasury on or before August 31, 2003.

7. **New Millennium/Texas Reads License Plates.** In addition to amounts appropriated above in Strategy A.1.3, Local Libraries, there is hereby appropriated to the State Library and Archives Commission all balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2001, (estimated to be $250,000 in each fiscal year) for the sale of license plates as provided by VTCA, Transportation Code § 502.2663.

   Any unexpended balances as of August 31, 2002, out of the appropriations made herein are hereby appropriated to the State Library and Archives Commission for the fiscal year beginning September 1, 2002.

8. **Toys "R" Us Settlement Proceeds.** Contingent on the state receiving at least $900,000 in settlement proceeds from the Toys "R" Us litigation, the Comptroller shall reduce from appropriations above by $900,000 in general revenue in the fiscal year in which the settlement proceeds are received by the state. Any settlement proceeds received by the state as a result of the Toys "R" Us litigation are hereby appropriated to the Library and Archives Commission, when received by the state, for the purpose of purchasing children's books. Any unexpended balances remaining on August 31, 2002, from this appropriation are hereby appropriated to the agency for the same purposes for the fiscal year beginning September 1, 2002. The agency shall report each November to the Legislative Budget Board and the Governor's Office how the money appropriated in this section was used during the preceding fiscal year.

PENSION REVIEW BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOUND RETIREMENT SYSTEMS Ensure that Texas Public Retirement Systems are actuarially sound and well managed in their administration and investments so that members receive their entitled benefits with a minimum expenditure of taxpayer dollars.		
Outcome (Results/Impact):		
Percent of Texas Public Retirement Systems That Are Actuarially or Financially Sound	95%	95%
Percent of Plan Administrators Satisfied with PRB Educational Services	95%	95%
A.1.1. Strategy: RETIREMENT SYSTEM REVIEWS Conduct reviews of Texas public retirement systems.	$ 136,499	$ 117,944
Output (Volume):		
Number of Reviews Completed	250	250
A.2.1. Strategy: TECHNICAL ASSISTANCE AND EDUCATION Provide technical assistance and educational services to public retirement systems, examine legislation for potential impact on Texas' public retirement systems, and provide electronic access to public pension data.	$ 136,500	$ 193,415
Output (Volume):		
Technical Assistance Reports Produced	200	350

PENSION REVIEW BOARD
(Continued)

Efficiencies:		
Percent of Technical Assistance Reports Issued within 14 Days of Request	100%	100%
Total, Goal A: SOUND RETIREMENT SYSTEMS	$ 272,999	$ 311,359
Grand Total, PENSION REVIEW BOARD	$ 272,999	$ 311,359
Method of Financing:		
General Revenue Fund	$ 227,999	$ 266,359
State Pension Review Board Fund No. 662	45,000	45,000
Total, Method of Financing	$ 272,999	$ 311,359
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000
Per Diem of Board Members	1,400	2,520

1. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Pension Review Board are made contingent on the continuation of the Pension Review Board by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

PRESERVATION BOARD*

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: MANAGE CAPITOL AND OTHER BUILDINGS Manage the state capitol and other designated buildings, their contents and their grounds, and promote Texas history.		
Outcome (Results/Impact):		
Percent of Maintenance Tasks Completed Correctly	99%	99%
A.1.1. Strategy: PRESERVE BUILDINGS AND CONTENTS Preserve the state capitol and other designated buildings, their contents, and their grounds.	$ 584,238	$ 584,237
Output (Volume):		
Number of Repairs and Restorations of Historical Items Completed	95	300
A.1.2. Strategy: BUILDING MAINTENANCE Maintain the state capitol and other designated buildings and their grounds through use of agency resources and private contracts.	$ 2,980,181	$ 2,980,181
Efficiencies:		
Cost Per Building Square Foot of Custodial Care	1.85	1.85
A.2.1. Strategy: MANAGE EDUCATIONAL PROGRAM Manage an educational program focusing on Texas history and the historical buildings, their contents, and their grounds.	$ 688,835	$ 688,835

*See also House Bill 1333.

Output (Volume):		
Number of School-age Tours Conducted at the Visitors Center	425	450
A.2.2. Strategy: MANAGE STATE HISTORY MUSEUM	$ 6,851,148	$ 6,801,075
Manage and operate the Bob Bullock Texas State History Museum.		
Output (Volume):		
Number of Visitors to the Museum	531,000	506,000
A.3.1. Strategy: MANAGE ENTERPRISES	$ 90,435	$ 90,435
Manage Capitol events, exhibits and activities, and operate profitable gift shops.		
Output (Volume):		
Number of Capitol Gift Shop Sales Transactions	91,000	91,000
Explanatory:		
Income from Parking Meters	567,000	656,000
Total, Goal A: MANAGE CAPITOL AND OTHER BUILDINGS	$ 11,194,837	$ 11,144,763
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 685,672	$ 685,672
Grand Total, PRESERVATION BOARD	$ 11,880,509	$ 11,830,435
Number of Full-Time-Equivalent Positions (FTE):	218.5	218.5
Schedule of Exempt Positions:		
Executive Director, Group 3	$90,000	$90,000
Supplemental Appropriations Made in Riders:	$ 4,250,000	$ 1,750,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Systems and Peripherals	$ 50,000	$ 50,000
Total, Capital Budget	$ 50,000	$ 50,000

2. **Capitol Fund.** Any funds deposited, including fees and revenue collected or earned, during the biennium beginning September 1, 2001, and any balances remaining as of August 31, 2001, in the Capitol Fund, a fund held outside the Treasury, are to be used for the benefit of the Capitol and associated programs of the agency in accordance with the intentions of the donors and the Legislature.

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

4. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2002, from the appropriations made above are hereby appropriated to the State Preservation Board for the same purpose for the fiscal year beginning September 1, 2002.

5. **Appropriation: Debt Service for Construction of State History Museum.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy A.2.2, Manage State History Museum, the amounts of $6,801,148 for fiscal year 2002 and $6,751,075 for fiscal year 2003 are to be used for lease payments to the Texas Public Finance Authority for debt service payments on the revenue bonds or other revenue obligations issued to construct the State History Museum, and the amounts of $50,000 each fiscal year of the 2002–03 biennium are to be used for insurance payments as required by the Texas Public Finance Authority.

6. **Appropriation: Operation of State History Museum.** In addition to amounts appropriated above and upon certification by the Executive Director of the State Preservation Board and the Comptroller of Public Accounts that the State History Museum has an unanticipated revenue shortfall, the State Preservation Board is hereby appropriated an amount not to exceed $2,000,000 in fiscal year 2002 and $1,000,000 in fiscal year 2003 out of the General Revenue Fund in Strategy A.2.2, Manage State History Museum, for the purpose of funding the operation of the State History Museum. Any unexpended balances as of August 31, 2002, from this appropriation are hereby appropriated to the State Preservation Board for the same purpose for the fiscal year beginning September 1, 2002.

7. **Full-time Equivalents for Capitol Giftshops.** Included in the "Number of Full-time Equivalents" are three FTE positions funded from the Capitol Fund for the Capitol Giftshops for each fiscal year of the biennium.

8. **Contingency Appropriation of Unexpended Balances: Major Repairs and Equipment Replacement.** In addition to amounts appropriated above and contingent upon the enactment of legislation creating the Capital Renewal Trust Fund, there is hereby appropriated to the State Preservation Board for the biennium beginning September 1, 2001, any unexpended balances as of August 31, 2001, for the purpose of funding major repairs and major equipment replacement for the Capitol and Capitol Extension.

   The unexpended balances appropriated herein shall be transferred to the Capital Renewal Trust Fund and are hereby appropriated to the State Preservation Board for the same purpose for the biennium beginning September 1, 2001. Also, for the fiscal year beginning September 1, 2001, contingent on the enactment of legislation creating the Capital Renewal Trust Fund, the State Preservation Board shall transfer $1,500,000 on September 1, 2001, and $750,000 each fiscal year of the biennium to the Capital Renewal Trust Fund from the Capital Fund. Such amounts are hereby appropriated for the 2002–03 biennium for the purpose of funding major repairs and major equipment replacement for the Capital and the Capitol Extension.

   Funding from this account is subject to Article IX relating to limitation on expenditures for capital budgets.

STATE OFFICE OF RISK MANAGEMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: MANAGE RISK AND ADMINISTER CLAIMS		
To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs.		
Outcome (Results/Impact):		
Incident Rate of Injuries and Illnesses Per 100 Covered Full-time State Employees	5%	5%
Cost of Workers' Compensation Per Covered State Employee	425	443
A.1.1. Strategy: RISK MANAGEMENT PROGRAM	$ 1,097,709	$ 1,097,709
Establish statewide risk management guidelines, work with agencies to develop programs that meet the guidelines, conduct on-site risk management program reviews, and provide safety evaluations, consultations, and training.		
Output (Volume):		
Number of Written Risk Management Program Reviews Conducted	55	55
Number of On-site Consultations Conducted	125	125
A.2.1. Strategy: PAY WORKERS' COMPENSATION	$ 4,679,163	$ 4,583,763
Obtain and review all claims for Workers' Compensation in accordance with state law and administrative regulations, determine eligibility for medical and indemnity benefits and determine the injured employee's weekly wage and indemnity payment rate.		
Output (Volume):		
Number of Medical Bills Processed	185,000	185,000
Number of Indemnity Bills Paid	69,000	69,000
Efficiencies:		
Average Cost to Administer Claim	334	327
Total, Goal A: MANAGE RISK AND ADMINISTER CLAIMS	$ 5,776,872	$ 5,681,472
Grand Total, STATE OFFICE OF RISK MANAGEMENT	$ 5,776,872	$ 5,681,472
Method of Financing:		
General Revenue Fund	$ 4,679,163	$ 4,583,763
Interagency Contracts	1,097,709	1,097,709
Total, Method of Financing	$ 5,776,872	$ 5,681,472
Number of Full-Time-Equivalent Positions (FTE):	109.0	109.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$85,000	$85,000

STATE OFFICE OF RISK MANAGEMENT
(Continued)

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Upgrade Existing Personal Computer CPUs	$ 50,400	$ 0
Total, Capital Budget	$ 50,400	$ 0

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

WORKERS' COMPENSATION PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: WORKERS' COMPENSATION PAYMENTS		
A.1.1. Strategy: WORKERS' COMPENSATION PAYMENTS	$ 103,925,775	$ UB
Grand Total, WORKERS' COMPENSATION PAYMENTS	$ 103,925,775	$ UB
Method of Financing:		
General Revenue Fund	$ 84,825,775	$ UB
Attorney General Debt Collection Receipts	18,000,000	UB
Subtotal, General Revenue Fund	$ 102,825,775	$ UB
Other Funds		
Appropriated Receipts	1,100,000	UB
Total, Method of Financing	$ 103,925,775	$ UB

1. **Appropriation - Subrogation Receipts.** All sums of money recovered by the State Office of Risk Management from third parties by way of subrogation are hereby appropriated to the State Office of Risk Management during the biennium of receipt to be used for the payment of workers' compensation benefits to state employees. Twenty-five percent of received funds shall be transferred to the agencies whose claims generated the subrogation receipts.

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

WORKERS' COMPENSATION PAYMENTS
(Continued)

3. **Amount to be Spent on Workers' Compensation.** The money appropriated above to the State Office of Risk Management for Workers' Compensation Payments represents 75 percent of the total projected costs of workers' compensation claim payments during the biennium. Per the section entitled Reimbursements for Workers' Compensation Payments, in the General Provisions of this Act, the Legislature intends that the remaining 25 percent of the cost of workers' compensation claim payments will be paid by agencies whose employees receive the payments.

   Contingent upon reimbursement to the Workers' Compensation Payments appropriation from other state agencies for payment of 25 percent of workers' compensation claims as required by this Act, the State Office of Risk Management may temporarily utilize additional general revenue funds in an amount not to exceed the anticipated 25 percent reimbursement for the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of 25 percent reimbursement from other state agencies and shall be utilized only for the purpose of temporary cash flow. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the State Office of Risk Management to the Legislative Budget Board.

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

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

5. **Expenditure for Prior Year's Claims.** It is the intent of the Legislature that the State Office of Risk Management be authorized to expend an amount not to exceed $3 million from the appropriation for Workers' Compensation Payments for fiscal year 2002, for workers' compensation claims arising during fiscal year 2001.

SECRETARY OF STATE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: INFORMATION MANAGEMENT Provide accurate, reliable, and timely access to information; maximize the efficiency of document processing; and take actions to ensure compliance with laws and rules.		
Outcome (Results/Impact):		
Percent of Business Entity Filings and Public Information Request Responses Completed within Three Business Days	80%	82%
Percent of UCC Transaction Filings and Public Information Request Responses Completed within Two Business Days	90%	95%

A.1.1. Strategy: DOCUMENT FILING	$ 8,243,757	$ 8,243,757
File or reject business entity, uniform commercial code, notary public and other statutory filings and maintain and disseminate information derived from those filings.		
Output (Volume):		
Number of Business Entity Transactions Processed	710,000	730,000
Number of Processed Requests for Information on Business Entities	1,200,000	1,250,000
Efficiencies:		
Average Cost Per Business Entity Transaction and Public Information Request	2.19	2.19
A.2.1. Strategy: DOCUMENT PUBLISHING	$ 1,220,443	$ 1,020,443 & UB
Publish the Texas Register, the Texas Administrative Code, and session laws.		
Efficiencies:		
Average Cost Per Texas Register and Administrative Code Published	19,321	19,321
Total, Goal A: INFORMATION MANAGEMENT	$ 9,464,200	$ 9,264,200
B. Goal: ADMINISTER ELECTION LAWS		
Maintain uniformity and integrity in the conduct of elections statewide while overseeing the election process in the state.		
B.1.1. Strategy: ELECTIONS ADMINISTRATION	$ 2,790,129	$ 2,790,129
Provide statewide elections administration.		
Output (Volume):		
Number of Election Officials Assisted or Advised	62,000	30,000
Efficiencies:		
Average Cost Per Election Authority Assisted or Advised	27.9	55.8
B.1.2. Strategy: ELECTION/VOTER REGISTRATION FUNDS	$ 13,341,747	$ 523,172 & UB
Administer primary election funds and reimburse voter registration postage payable to counties.		
B.1.3. Strategy: CONSTITUTIONAL AMENDMENTS	$ 1,104,638	$ 29,638 & UB
Publish and interpret constitutional amendments.		
Output (Volume):		
Number of Constitutional Amendment Translations Mailed	1,750,000	
Total, Goal B: ADMINISTER ELECTION LAWS	$ 17,236,514	$ 3,342,939
C. Goal: INTERNATIONAL PROTOCOL		
Provide protocol services; encourage cooperation on issues relating to Mexico and the border; and coordinate activities related to improving physical living conditions in colonias.		
Outcome (Results/Impact):		
Number of Colonias Residents Receiving Assistance as a Result of the Office of Secretary of State's Interagency Coordination Efforts	100,000	175,000
C.1.1. Strategy: PROTOCOL/BORDER AFFAIRS	$ 300,437	$ 300,437
Provide protocol services, and represent the Governor and the state at meetings, events and conferences with diplomatic corps, government officials and business leaders.		

C.1.2. Strategy: COLONIAS INITIATIVES Coordinate state agency activities and secure funding to improve physical living conditions in colonias and advocate the needs of colonias residents.	$ 396,042	$ 396,042
Output (Volume):		
Number of Collaborative Colonias Projects	35	40
Total, Goal C: INTERNATIONAL PROTOCOL	$ 696,479	$ 696,479
Grand Total, SECRETARY OF STATE	$ 27,397,193	$ 13,303,618
Method of Financing:		
General Revenue Fund	$ 23,993,164	$ 9,899,589
Appropriated Receipts	3,404,029	3,404,029
Total, Method of Financing	$ 27,397,193	$ 13,303,618
Number of Full-Time-Equivalent Positions (FTE):	248.5	248.5
Schedule of Exempt Positions:		
Secretary of State, Group 4	$117,516	$117,516
Supplemental Appropriations Made in Riders:	$ 137,000	$ 8,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Networking	45,000	25,000
(2) Hardware/Software Replacement	760,500	488,500
(3) Personal Computers/Workstations	$ 90,000	$ 382,000
Total, Acquisition of Information Resource Technologies	$ 895,500	$ 895,500
Total, Capital Budget	$ 895,500	$ 895,500

2. **Contingency Appropriation for Constitutional Amendments.** The amounts appropriated above in Strategy B.1.3, Constitutional Amendments, are intended to cover the costs of fulfilling the requirements of VTCA, Election Code, Chapter 274, Subchapter B, and Article 17 § 1 of the Texas Constitution for 14 proposed constitutional amendments or referendum items. In the event that the number of proposed constitutional amendments or referendum items exceeds 14, or if the actual costs exceed the amounts appropriated herein, the Secretary of State is hereby appropriated from General Revenue the additional funds necessary to fulfill the aforementioned requirements.

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

4. **Limitation, Primary Finance.** Of the funds appropriated in Strategy B.1.2, Election/Voter Registration Funds, not more than $250,000 may be distributed to the executive committees of the state parties for the operation of the primary and runoff elections. Funds distributed to the executive committees shall be distributed to the respective parties in the ratio of the total number of primary and runoff voters in the 2000 elections.

5. **Inaugural Receipts.** In addition to funds appropriated above, all contributions, receipts, and other deposits received pursuant to Chapter 401, Government Code, including the unexpended and unencumbered balances on hand on August 31, 2001, in the General Revenue Fund pursuant to Chapter 401, Government Code, are hereby appropriated to the Secretary of State for expenditures pursuant to Chapter 401, Government Code. Upon formation of the Inaugural Committee, all balances and receipts shall be transferred to the Committee and are hereby appropriated to the Inaugural Committee pursuant to Chapter 401, Government Code (estimated to be $135,000 for the 2002–03 biennium).

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

7. **Unexpended Balances.** Any unexpended balances as of August 31, 2001, in the appropriations made to the Office of the Secretary of State in Strategy A.2.1, Document Publishing, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2001 (estimated to be $10,000 for the 2002–03 biennium).

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

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

OFFICE OF STATE-FEDERAL RELATIONS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: INFLUENCE FEDERAL ACTION		
Increase the influence of the Governor and the Legislature over federal action that has a direct or indirect economic, fiscal, or regulatory impact on the state.		
Outcome (Results/Impact):		
Texas' Proportionate Share of Federal Funding	6.52%	6.52%
Percent of Customers Satisfied with OSFR Services	85%	85%
A.1.1. Strategy: ACTION PLANS	$ 316,428	$ 305,234
Monitor federal funding and regulatory issues; identify issues and recommend action; and develop and implement action plans.		
A.1.2. Strategy: AD HOC REPORTS AND BRIEFINGS	$ 335,687	$ 334,565
Produce special reports for, initiate state-federal issues briefings with and respond substantively to information requests from state and federal executive and legislative officials while monitoring their satisfaction.		
Efficiencies:		
Percentage of Responses within Two Business Days	92%	92%
A.1.3. Strategy: REGULAR REPORTS	$ 109,288	$ 107,414
Distribute timely information on state-federal issues including action alerts, weekly summations of congressional actions, and special reports while monitoring customer satisfaction and using the most current information and communication technologies.		
Total, Goal A: INFLUENCE FEDERAL ACTION	$ 761,403	$ 747,213
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 389,568	$ 369,530
Grand Total, OFFICE OF STATE-FEDERAL RELATIONS	$ 1,150,971	$ 1,116,743
Method of Financing:		
General Revenue Fund	$ 1,036,971	$ 1,002,743
Interagency Contracts	114,000	114,000
Total, Method of Financing	$ 1,150,971	$ 1,116,743
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$94,832	$94,832

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

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

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

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

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

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

5. **Unexpended Balances: Between Fiscal Years.** Any unexpended balances as of August 31, 2002, in the appropriations made herein to the Office of State-Federal Relations are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

VETERANS COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ASSIST IN VETERANS' CLAIMS		
Through effective training, marketing and advocacy, provide effective representation and assistance on issues and claims to veterans, their dependents, and their survivors on obtaining veterans' benefits to which they are entitled.		
Outcome (Results/Impact):		
Amount of DVA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation of Veterans with Service Disabilities	485	498
Amount of DVA Monetary Awards (in Millions of Dollars) Paid Because of Commission Advocacy in Claims Representation for Widows or Orphans of Veterans	182	187
A.1.1. Strategy: CLAIMS ASSISTANCE	$ 3,277,635	$ 3,294,458
Provide outreach services and advocacy in claims by veterans, their widows, and their orphans by Texas Veterans Commission personnel and through Veterans County Service Officers.		

VETERANS COMMISSION
(Continued)

Output (Volume):		
Number of Claims for Veterans Benefits Filed and Developed on Behalf of Veterans with Service-connected Disabilities	25,350	26,450
Number of Active Veterans Benefits Cases for Veterans, Their Widows, or Their Orphans Represented by the Texas Veterans Commission	108,500	110,000
Number of Appeals of Unfavorable Department of Veterans Affairs Decisions Filed on Behalf of Veterans, Their Widows, or Their Orphans	5,675	5,750
Grand Total, VETERANS COMMISSION	$ 3,277,635	$ 3,294,458
Number of Full-Time-Equivalent Positions (FTE):	92.0	93.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$74,000	$74,000
Per Diem of Commission Members	3,000	3,000

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 20,339,492	$ 20,746,282
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 39,355,460	$ 44,440,779
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 59,694,952	$ 65,187,061
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 59,694,952	$ 65,187,061
Method of Financing:		
General Revenue Fund, estimated	$ 45,864,624	$ 50,012,682
General Revenue - Dedicated, estimated	1,345,028	1,469,609
State Highway Fund No. 006, estimated	533,529	580,898
Federal Funds, estimated	11,740,971	12,895,100
Other Special State Funds, estimated	210,800	228,772
Total, Method of Financing	$ 59,694,952	$ 65,187,061

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 25,449,393	$ 25,958,381
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 5,033,847	$ 4,669,649
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 30,483,240	$ 30,628,030
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 30,483,240	$ 30,628,030
Method of Financing:		
General Revenue Fund, estimated	$ 24,655,058	$ 24,792,904
General Revenue - Dedicated, estimated	710,262	714,122
State Highway Fund No. 006, estimated	280,775	283,276
Federal Funds, estimated	4,712,604	4,711,985
Other Special State Funds, estimated	124,541	125,743
Total, Method of Financing	$ 30,483,240	$ 30,628,030

BOND DEBT SERVICE PAYMENT

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 0	$ 3,254,475
Grand Total, BOND DEBT SERVICE PAYMENT	$ 0	$ 3,254,475

LEASE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 19,744,516	$ 19,015,911 & UB
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 19,744,516	$ 19,015,911

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Aircraft Pooling Board	$ 1,400,000	$ 0
Commission on the Arts	5,289,070	3,304,829
Rider Appropriations	40,000	0
Total	5,329,070	3,304,829
Office of the Attorney General	116,534,747	107,841,280
Rider Appropriations	2,610,202	288,550
Total	119,144,949	108,129,830
Bond Review Board	599,894	570,344
Comptroller of Public Accounts	179,137,520	179,143,310
Rider Appropriations	400,000	400,000
Total	179,537,520	179,543,310
Fiscal Programs - Comptroller of Public Accounts	136,982,920	132,931,920
Rider Appropriations	14,966,000	12,901,000
Total	151,948,920	145,832,920
Employees Retirement System	6,265,945	6,453,923
Texas Ethics Commission	1,927,471	1,927,471
Public Finance Authority	557,200	557,200
Fire Fighters' Pension Commissioner	109,779	109,779
State General Services Commission	47,439,129	32,539,129
Rider Appropriations	7,559,724	0
Total	54,998,853	32,539,129
Office of the Governor	7,605,862	7,611,526
Rider Appropriations	2,700,000	0
Total	10,305,862	7,611,526
Trusteed Programs Within the Office of the Governor	17,829,044	6,343,860
Rider Appropriations	225,000	200,000
Total	18,054,044	6,543,860
Historical Commission	55,882,836	3,215,991
Rider Appropriations	1,078,384	0
Total	56,961,220	3,215,991
Commission on Human Rights	796,248	694,669
Texas Incentive and Productivity Commission	236,372	236,372
Department of Information Resources	2,664,629	2,619,854
Library & Archives Commission	13,183,670	13,212,043
Pension Review Board	227,999	266,359

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

Preservation Board	11,880,509	11,830,435
Contingency Appropriations	2,000,000	1,000,000
Total	13,880,509	12,830,435
State Office of Risk Management	4,679,163	4,583,763
Workers' Compensation Payments	102,825,775	0
Secretary of State	23,993,164	9,899,589
Rider Appropriations	10,000	0
Total	24,003,164	9,899,589
Office of State-Federal Relations	1,036,971	1,002,743
Veterans Commission	3,277,635	3,294,458
Subtotal, General Government	$ 773,952,862	$ 544,980,397
Retirement and Group Insurance	45,864,624	50,012,682
Social Security and Benefit Replacement Pay	24,655,058	24,792,904
Subtotal, Employee Benefits	$ 70,519,682	$ 74,805,586
Bond Debt Service Payment	0	3,254,475
Lease Payments	19,744,516	19,015,911
Subtotal, Debt Service	$ 19,744,516	$ 22,270,386
TOTAL, ARTICLE I - GENERAL GOVERNMENT	$ 864,217,060	$ 642,056,369

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

	For the Years Ending August 31, 2002	August 31, 2003
Commission on the Arts	$ 484,906	$ 484,906
Rider Appropriations	1,266,876	380,158
Total	1,751,782	865,064
Office of the Attorney General	71,652,113	77,745,188
Rider Appropriations	353,997	0
Total	72,006,110	77,745,188
Fiscal Programs - Comptroller of Public Accounts	6,559,662	6,559,662
Rider Appropriations	50,165,767	12,792,838
Total	56,725,429	19,352,500
Commission on State Emergency Communications	34,391,639	40,648,359
Rider Appropriations	2,000,000	2,000,000
Contingency Appropriations	4,000,000	4,000,000
Total	40,391,639	46,648,359
State General Services Commission	2,927,486	2,927,486
Trusteed Programs Within the Office of the Governor	38,196,776	24,070,000
Historical Commission	375,000	400,000
Library & Archives Commission, Rider Appropriations	250,000	250,000
Secretary of State, Rider Appropriations	127,000	8,000
Subtotal, General Government	$ 212,751,222	$ 172,266,597
Retirement and Group Insurance	1,345,028	1,469,609
Social Security and Benefit Replacement Pay	710,262	714,122
Subtotal, Employee Benefits	$ 2,055,290	$ 2,183,731
TOTAL, ARTICLE I - GENERAL GOVERNMENT	$ 214,806,512	$ 174,450,328

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Commission on the Arts	$ 665,100	$ 665,100
Office of the Attorney General	168,262,495	161,451,972
Rider Appropriations	4,498,436	0
Total	172,760,931	161,451,972
Comptroller of Public Accounts	15,640	9,850
Fiscal Programs - Comptroller of Public Accounts	921,382	921,382
Trusteed Programs Within the Office of the Governor	105,135,215	105,106,268
Historical Commission	734,097	734,097
Commission on Human Rights	1,375,474	1,375,474
Library & Archives Commission	8,871,120	8,984,923
Subtotal, General Government	$ 290,478,959	$ 279,249,066
Retirement and Group Insurance	11,740,971	12,895,100
Social Security and Benefit Replacement Pay	4,712,604	4,711,985
Subtotal, Employee Benefits	$ 16,453,575	$ 17,607,085
TOTAL, ARTICLE I - GENERAL GOVERNMENT	$ 306,932,534	$ 296,856,151

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Aircraft Pooling Board	$ 3,119,738	$ 3,119,738
Rider Appropriations	1,242,082	0
Total	4,361,820	3,119,738
Commission on the Arts	970,000	970,000
Rider Appropriations	500	500
Total	970,500	970,500
Office of the Attorney General	18,388,689	16,306,589
Comptroller of Public Accounts	550,827	550,827
Texas Ethics Commission	25,000	25,000
Public Finance Authority	135,825	147,215
Fire Fighters' Pension Commissioner	356,261	341,081
State General Services Commission	106,414,881	79,063,528
Rider Appropriations	42,031,113	0
Total	148,445,994	79,063,528
Trusteed Programs Within the Office of the Governor	77,000	77,000
Historical Commission	1,632,811	1,330,849
Commission on Human Rights	328,307	391,450
Texas Incentive and Productivity Commission	17,000	0
Department of Information Resources	3,124,680	3,179,290
Rider Appropriations	250,000	250,000
Total	3,374,680	3,429,290
Library & Archives Commission	15,925,543	14,005,828
Pension Review Board	45,000	45,000
Preservation Board, Contingency Appropriations	2,250,000	750,000
State Office of Risk Management	1,097,709	1,097,709
Workers' Compensation Payments	1,100,000	0
Secretary of State	3,404,029	3,404,029
Office of State-Federal Relations	114,000	114,000
Subtotal, General Government	$ 202,600,995	$ 125,169,633
Retirement and Group Insurance	744,329	809,670
Social Security and Benefit Replacement Pay	405,316	409,019
Subtotal, Employee Benefits	$ 1,149,645	$ 1,218,689
Less Interagency Contracts	$ 115,408,194	$ 88,011,028
TOTAL, ARTICLE I - GENERAL GOVERNMENT	$ 88,342,446	$ 38,377,294

RECAPITULATION - ARTICLE I
GENERAL GOVERNMENT
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Aircraft Pooling Board	$ 4,519,738	$ 3,119,738
Rider Appropriations	1,242,082	0
Total	5,761,820	3,119,738
Commission on the Arts	7,409,076	5,424,835
Rider Appropriations	1,307,376	380,658
Total	8,716,452	5,805,493
Office of the Attorney General	374,838,044	363,345,029
Rider Appropriations	7,462,635	288,550
Total	382,300,679	363,633,579
Bond Review Board	599,894	570,344
Comptroller of Public Accounts	179,703,987	179,703,987
Rider Appropriations	400,000	400,000
Total	180,103,987	180,103,987
Fiscal Programs - Comptroller of Public Accounts	144,463,964	140,412,964
Rider Appropriations	65,131,767	25,693,838
Total	209,595,731	166,106,802
Commission on State Emergency Communications	34,391,639	40,648,359
Rider Appropriations	2,000,000	2,000,000
Contingency Appropriations	4,000,000	4,000,000
Total	40,391,639	46,648,359
Employees Retirement System	6,265,945	6,453,923
Texas Ethics Commission	1,952,471	1,952,471
Public Finance Authority	693,025	704,415
Fire Fighters' Pension Commissioner	466,040	450,860
State General Services Commission	156,781,496	114,530,143
Rider Appropriations	49,590,837	0
Total	206,372,333	114,530,143
Office of the Governor	7,605,862	7,611,526
Rider Appropriations	2,700,000	0
Total	10,305,862	7,611,526
Trusteed Programs Within the Office of the Governor	161,238,035	135,597,128
Rider Appropriations	225,000	200,000
Total	161,463,035	135,797,128

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

Historical Commission	58,624,744	5,680,937
Rider Appropriations	1,078,384	0
Total	59,703,128	5,680,937
Commission on Human Rights	2,500,029	2,461,593
Texas Incentive and Productivity Commission	253,372	236,372
Department of Information Resources	5,789,309	5,799,144
Rider Appropriations	250,000	250,000
Total	6,039,309	6,049,144
Library & Archives Commission	37,980,333	36,202,794
Rider Appropriations	250,000	250,000
Total	38,230,333	36,452,794
Pension Review Board	272,999	311,359
Preservation Board	11,880,509	11,830,435
Contingency Appropriations	4,250,000	1,750,000
Total	16,130,509	13,580,435
State Office of Risk Management	5,776,872	5,681,472
Workers' Compensation Payments	103,925,775	0
Secretary of State	27,397,193	13,303,618
Rider Appropriations	137,000	8,000
Total	27,534,193	13,311,618
Office of State-Federal Relations	1,150,971	1,116,743
Veterans Commission	3,277,635	3,294,458
Subtotal, General Government	$ 1,479,784,038	$ 1,121,665,693
Retirement and Group Insurance	59,694,952	65,187,061
Social Security and Benefit Replacement Pay	30,483,240	30,628,030
Subtotal, Employee Benefits	$ 90,178,192	$ 95,815,091
Bond Debt Service Payment	0	3,254,475
Lease Payments	19,744,516	19,015,911
Subtotal, Debt Service	$ 19,744,516	$ 22,270,386
Less Interagency Contracts	$ 115,408,194	$ 88,011,028
TOTAL, ARTICLE I - GENERAL GOVERNMENT	$ 1,474,298,552	$ 1,151,740,142
Number of Full-time Equivalent Positions (FTE)	9,389.0	9,415.0

ARTICLE II

HEALTH AND HUMAN SERVICES

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

DEPARTMENT ON AGING

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SERVICES AND OPPORTUNITIES		
To enable older Texans to live dignified, independent, and productive lives within a safe living environment through an accessible, locally-based, comprehensive and coordinated continuum of services and opportunities.		
Outcome (Results/Impact):		
Percent of Older Population Receiving Services Who Are Low-income	81%	81%
Percent of Older Population Receiving Services Who Are Moderately to Severely Impaired	25%	25%
Percent of Older Population Receiving Services Who Remained Independent Due to Services	85%	85%
Percent of Nursing Homes with a Certified Ombudsman	73%	76%
A.1.1. Strategy: CONNECTIONS	$ 11,123,031	$ 11,345,492
Provide a statewide, locally-based system that connects people with the services and benefits they need through ombudsman services, Options case management, information and legal assistance.		
Output (Volume):		
Number of Certified Ombudsmen	860	890
Number of Persons Receiving Options Case Management	8,730	8,905
Number of Unlicensed Assisted Living Facilities Identified	300	300
Efficiencies:		
TDOA Cost Per Certified Ombudsman	2,864	2,823
TDOA Cost Per Options Case Management Client	256	256
A.1.2. Strategy: NUTRITION SERVICES	$ 37,431,654	$ 37,999,526
Provide a statewide, locally-based system of nutrition services that includes meals, counseling, and education designed to promote good health and to prevent illness.		
Output (Volume):		
Number of Congregate Meals Served	4,170,000	4,182,000
Number of Home Delivered Meals Served	4,497,800	4,474,500
Number of Meals Reimbursed by USDA	15,130,000	15,130,000
Efficiencies:		
TDOA Cost Per Congregate Meal	3.25	3.25
TDOA Cost Per Home-delivered Meal	2.95	2.95
Explanatory:		
Unit Cost Per Congregate Meal	3.61	3.61
Unit Cost Per Home-delivered Meal	3.28	3.28
A.1.3. Strategy: INDEPENDENCE/PRODUCTIVITY	$ 17,623,671	$ 17,815,994
Provide a statewide, locally-based system of services designed to maintain personal independence through the provision of supportive services, transportation, and senior center activities; and provide opportunities		

for increased personal productivity through community service volunteering.		
Output (Volume):		
Number of Persons Receiving Homemaker Services	4,026	4,046
Number of One-way Trips (Demand-response Transportation Services)	1,391,465	1,405,380
Efficiencies:		
TDOA Cost Per Person Receiving Homemaker Services	416	422
TDOA Cost Per One-way Trip	3.2	3.2
Total, Goal A: SERVICES AND OPPORTUNITIES	$ 66,178,356	$ 67,161,012
B. Goal: DIRECT AND INDIRECT ADMIN		
Direct and Indirect administrative and support costs.		
B.1.1. Strategy: DIRECT AND INDIRECT ADMIN	$ 3,003,504	$ 3,057,153
Direct and indirect administrative and support costs.		
Grand Total, DEPARTMENT ON AGING	$ 69,181,860	$ 70,218,165
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 4,412,501	$ 4,399,786
GR Match for Federal Funds (Department on Aging)	3,098,720	3,111,435
Earned Federal Funds	25,000	25,000
Subtotal, General Revenue Fund	$ 7,536,221	$ 7,536,221
Federal Funds	61,645,639	62,681,944
Total, Method of Financing	$ 69,181,860	$ 70,218,165
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$70,000	$70,000
Board Member Per Diem	4,400	4,400
Supplemental Appropriations Made in Riders:	$ 195,000	$ 195,000

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

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

3. **Memorandum of Agreement: Options for Independent Living Program.** It is the intent of the Legislature that the Texas Department on Aging will maintain a Memorandum of Agreement with the Texas Department of Human Services which specifies that there will be no duplication of services to elderly clients served by the "Options" program and elderly clients served by the Texas Department of Human Services.

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

   Contingent upon certification by the Department on Aging and verification by the Comptroller, all fees collected in excess of $90,000 each year of the biennium (estimated to be $195,000 in fiscal year 2002 and $195,000 in fiscal year 2003) are hereby appropriated to the Department on Aging to promote affordable housing for the elderly. The Department on Aging shall provide written notification of the agency's intention to expend fee-generated general revenue in excess of $90,000 each year of the biennium to the Legislative Budget Board and the Governor at least 14 days prior to the planned expenditure, and document the amount and specific purpose of the planned expenditure. Any unexpended balances in fees collected to promote affordable housing for the elderly for the fiscal year ending August 31, 2002, may be carried forward into fiscal year 2003, and such balances are hereby appropriated.

5. **Area Agencies on Aging.** It is the intent of the Legislature that if the Department on Aging plans to alter local planning and service areas in effect on September 1, 1999, that the department receive approval from the Health and Human Services Commission and that the Governor and the Legislative Budget Board be notified before the adoption of such plans.

COMMISSION ON ALCOHOL AND DRUG ABUSE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SERVICES DISTRIBUTION Provide for the delivery of substance abuse prevention, intervention, and treatment services based on need throughout the state.		
Outcome (Results/Impact):		
Percent of Youth Who Report They Are Abstinent When Contacted Following Discharge	85%	85%
Percent of Adults Entering Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge	81%	81%
Percent of Unemployed Adults Completing Treatment Programs Who Report They Are Employed When Contacted Following Discharge	60%	60%
Percent of Youth Who Report a Reduction in Absenteeism When Contacted Following Discharge	47%	47%
A.1.1. Strategy: PREVENTION SERVICES Implement community and family based prevention services to increase resilience and reduce the risk of chemical use, abuse and dependency in Texas.	$ 30,522,353	$ 30,522,353
Output (Volume):		
Number of Adults Served in Prevention Programs	98,468	98,468
Number of Youth Served in Prevention Programs	273,207	273,207

Efficiencies:		
Average Cost Per Youth for Prevention Services	91.33	91.33
Average Cost Per Adult for Prevention Services	56.57	56.57
A.1.2. Strategy: INTERVENTION SERVICES	$ 34,182,467	$ 34,182,467
Implement community and family based intervention services to interrupt the illegal use of alcohol, tobacco, and other drugs by youth and to break the cycle of harmful use of legal substances and all use of illegal substances by adults.		
Output (Volume):		
Number of Adults Served in Intervention Programs	173,756	173,756
Number of Youth Served in Intervention Programs	195,477	195,477
Efficiencies:		
Average Cost Per Adult for Intervention Services	85.58	85.58
Average Cost Per Youth for Intervention Services	98.8	98.8
A.1.3. Strategy: TREATMENT SERVICES	$ 88,586,957	$ 88,586,958
Implement a continuum of community and family based treatment and related services for chemically dependent persons.		
Output (Volume):		
Number of Adults Served in Treatment Programs	33,699	33,699
Number of Youth Served in Treatment Programs	6,430	6,430
Efficiencies:		
Average Cost Per Adult Served in Treatment Programs	1,919	1,919
Average Cost Per Youth Served in Treatment Programs	3,720	3,720
Explanatory:		
Percent of Adults Completing Treatment Programs	71%	71%
Percent of Youth Completing Treatment Programs	61%	61%
A.1.4. Strategy: CRIMINAL JUSTICE TREATMENT	$ 3,250,000	$ 3,250,000
Provide criminal justice based chemical dependency services.		
A.2.1. Strategy: COMPULSIVE GAMBLING	$ 375,000	$ 375,000
Provide problem gambling awareness and prevention services.		
A.2.2. Strategy: SAFE & DRUG FREE SCHOOLS	$ 6,884,037	$ 6,889,000
Provide grants to communities to prevent violence and substance abuse within schools and communities in compliance with the federal Safe and Drug Free Schools and Communities Act.		
Total, Goal A: SERVICES DISTRIBUTION	$ 163,800,814	$ 163,805,778
B. Goal: QUALITY ASSURANCE		
Ensure value, safety and accountability of substance abuse prevention, intervention, and treatment services.		
Outcome (Results/Impact):		
Percent of Facilities Meeting Performance Targets	72%	72%
B.1.1. Strategy: COMPLIANCE	$ 3,833,857	$ 3,833,857
Verify and enforce compliance with regulatory and funding requirements.		
Output (Volume):		
Number of Field Audits Performed	95	95
Efficiencies:		
Median Time (in Days) for Facility License Issuance	123	123
B.1.2. Strategy: PERFORMANCE MANAGEMENT	$ 3,048,425	$ 3,048,425
Optimize performance quality and cost efficiency through the funding, managing, and monitoring of services.		

Output (Volume):		
Number of Provider Performance Reviews Conducted	769	769
Total, Goal B: QUALITY ASSURANCE	$ 6,882,282	$ 6,882,282
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 2,804,998	$ 2,804,998
C.1.2. Strategy: INFORMATION RESOURCES	$ 1,030,775	$ 1,030,775
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,167,447	$ 1,167,447
Total, Goal C: INDIRECT ADMINISTRATION	$ 5,003,220	$ 5,003,220
Grand Total, COMMISSION ON ALCOHOL AND DRUG ABUSE	$ 175,686,316	$ 175,691,280
Method of Financing:		
GR for Substance Abuse Prevention and Treatment Block Grant	$ 27,299,576	$ 27,299,577
Federal Funds	140,142,703	140,142,703
Other Funds		
Appropriated Receipts	538,500	538,500
Interagency Contracts	7,705,537	7,710,500
Subtotal, Other Funds	$ 8,244,037	$ 8,249,000
Total, Method of Financing	$ 175,686,316	$ 175,691,280
Number of Full-Time-Equivalent Positions (FTE):	198.0	198.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$100,000	$100,000

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

	2002	2003
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) Lease of Behavioral Health Integrated Provider System (BHIPS) Server	$ 29,560	$ 29,560
(2) Contracted Programming for BHIPS	90,000	90,000
(3) Contracted Programming for Information Management System (IMS)	60,000	45,000
(4) Sybase Support for IMS	22,860	22,860
Total, Acquisition of Information Resource Technologies	$ 202,420	$ 187,420
Total, Capital Budget	$ 202,420	$ 187,420

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

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

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

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

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

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

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

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover,

at a minimum, the cost of the appropriations made above for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities in strategy item B.1.1, Compliance, as well as the "other direct and indirect costs" associated with this function, appropriated elsewhere in this Act. "Other direct and indirect costs" for the licensing and regulation of chemical dependency counselors and chemical dependency treatment facilities are estimated to be $223,161 for fiscal year 2002 and $133,122 for fiscal year 2003. In the event that actual and/or projected fee revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Medicaid Programs - Revenue Enhancement.** Out of the funds appropriated above, local mental health authorities are encouraged to use these state funds to match federal Medicaid funds entitled rehabilitation services under the State Medicaid Plan, for those Medicaid eligible clients receiving substance abuse services by the local mental health authority. These funds may be expended on persons with co-occurring mental health and substance abuse diagnoses.

10. **HIV Contracting At TCADA.** The contracting of HIV services at the Texas Commission on Alcohol and Drug Abuse shall be as comprehensive as those at the Texas Department of Health and shall include, but is not limited to:

    a. definitions of health services and support services to be provided;
    b. requirements for licensure of facilities or service providers;
    c. budgets, financial status reports, and standards for financial reports;
    d. performance measures and standards;
    e. fee schedules, where applicable; and
    f. restrictions/limitations on the use of contract funds.

11. **Public/Private Partnership.** It is the intent of the Legislature that the commission shall partner with private and other public entities to the greatest extent possible for the purpose of conserving state general revenue appropriations.

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

13. **Notification of Regional Funds Distribution.** The Commission on Alcohol and Drug Abuse shall notify the Senate Finance Committee, House Appropriations Committee, Legislative Budget Board and the Governor of the allocation methodology or formula used to allocate funds. This report shall include development of a statewide plan for substance abuse delivery services which:

    a. provides for reasonable geographic access to services;
    b. is based upon equitable funding;
    c. selects providers on a competitive basis; and
    d. presents an impact analysis of any changes from the previous year's formula or percentage allocations, by public health region.

    The report shall be submitted at least 30 days prior to allocations made out of funds appropriated above.

14. **Notification of Intent to Use Federal Grant Funds.** The Commission on Alcohol and Drug Abuse shall notify the Legislative Budget Board and the Governor of its intent to use additional Substance Abuse Prevention and Treatment grant funds in excess of the amounts

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

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

16. **Advisory Committee Members.** Pursuant to Government Code, § 2110.004, Reimbursement of Expenses, funds appropriated above may be expended to reimburse advisory committee members of the Regional Advisory Consortium. It is the intent of the Legislature that the membership of the Regional Advisory Consortium reflect the diversity of the population served by the Commission on Alcohol and Drug Abuse.

* 17. **Safe and Drug Free Schools and Communities Act.** Out of funds appropriated above for Strategy A.2.2, Safe & Drug Free Schools, the Commission on Alcohol and Drug Abuse shall administer the Safe and Drug Free Schools and Communities Act. Funding for the strategy shall be provided by the Governor's Criminal Justice Division and shall be reflected in the Commission on Alcohol and Drug Abuse bill pattern as interagency contract receipts. Funding is estimated to be $6,884,037 for fiscal year *2002* and $6,889,000 for fiscal year 2003. The Commission on Alcohol and Drug Abuse may enter into agreements with councils of government, school districts or regional education service centers to solicit, review, prioritize or select applications for Safe and Drug Free Schools discretionary grant funds previously administered by the Governor's Criminal Justice Division.

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

19. **Addiction Recovery Center.** Out of the federal grant funds appropriated by this Act in Strategy A.1.3, Treatment, designated for Region I, the Commission on Alcohol and Drug Abuse shall expend $50,000 in each fiscal year of the 2002–03 biennium to fund an established addiction recovery center for college students in Region I.

*Italicized text corrected.

COMMISSION FOR THE BLIND

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: INDEPENDENT LIVING		
To assist Texans who are blind or visually impaired to live as independently as possible consistent with their capabilities.		
Outcome (Results/Impact):		
Percent of Consumers Whose Dependent Living Risk Was Diminished	98%	98%
A.1.1. Strategy: INDEPENDENT LIVING SKILLS	$ 1,590,777	$ 1,611,736
To provide a program of developing independent living skills.		
Output (Volume):		
Number of Consumers Served	3,967	3,967
Efficiencies:		
Average Cost Per Consumer Served	473	473
A.2.1. Strategy: HABILITATIVE SERVICES FOR CHILDREN	$ 3,106,474	$ 3,147,637
To provide habilitative services to blind and visually impaired children.		
Output (Volume):		
Number of Children Receiving Habilitative Services	7,965	8,071
Efficiencies:		
Average Cost Per Child Served	429	429
A.2.2. Strategy: BLINDNESS EDUCATION	$ 529,200	$ 529,200
Blindness Education, Screening and Treatment Program.		
Output (Volume):		
Number of Individuals Served by Blindness Education, Screening and Treatment (BEST) Program	2,967,345	2,967,345
Efficiencies:		
Average Cost Per Individual Served by Blindness Education, Screening and Treatment (BEST) Program	.2	.2
Total, Goal A: INDEPENDENT LIVING	$ 5,226,451	$ 5,288,573
B. Goal: MAINTAIN EMPLOYMENT		
To assist Texans who are blind or visually impaired to secure or maintain employment in careers consistent with their skills, abilities, and interests.		
Outcome (Results/Impact):		
Percent of Consumers Successfully Rehabilitated Who Were Satisfied with Services	95%	95%
B.1.1. Strategy: VOCATIONAL REHABILITATION	$ 35,774,122	$ 35,605,805
To provide vocational rehabilitation services to persons who are blind or visually impaired.		
Output (Volume):		
Number of Consumers Served	12,358	12,300
Efficiencies:		
Average Cost Per Consumer Served	3,531	3,531
B.1.2. Strategy: BUSINESS ENTERPRISES PROGRAM	$ 2,406,882	$ 2,372,882
To provide employment opportunities in the food service industry for persons who are blind and visually impaired.		
Output (Volume):		
Number of Consumers Employed	145	145
Efficiencies:		
Average Program Administration Cost Per Consumer	6,447	6,447

B.1.3. Strategy: BUSN ENTERPRISES PROGRAM TRUST FUND To administer trust funds for retirement and benefits program for individuals licensed to operate vending machines under the Business Enterprises Program (estimated and nontransferable).	$ 359,147	$ 359,147
Total, Goal B: MAINTAIN EMPLOYMENT	$ 38,540,151	$ 38,337,834
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,828,787	$ 1,855,202
C.1.2. Strategy: INFORMATION RESOURCES	$ 947,729	$ 956,503
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 654,125	$ 666,402
Total, Goal C: INDIRECT ADMINISTRATION	$ 3,430,641	$ 3,478,107
Grand Total, COMMISSION FOR THE BLIND	$ 47,197,243	$ 47,104,514
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 3,302,788	$ 3,302,788
Earned Federal Funds	1,411,920	1,411,920
GR for Vocational Rehabilitation	6,468,767	6,458,654
GR Match for Medicaid	95,180	94,819
Subtotal, General Revenue Fund	$ 11,278,655	$ 11,268,181
General Revenue Fund - Dedicated		
Business Enterprises Program Account No. 492	1,128,397	1,128,397
Business Enterprises Program Trust Fund, estimated	359,147	359,147
Subtotal, General Revenue Fund - Dedicated	$ 1,487,544	$ 1,487,544
Federal Funds	34,151,664	34,027,885
Other Funds		
Blind Commission Endowment Fund No. 493	226,163	267,687
Appropriated Receipts	53,217	53,217
Subtotal, Other Funds	$ 279,380	$ 320,904
Total, Method of Financing	$ 47,197,243	$ 47,104,514
Number of Full-Time-Equivalent Positions (FTE):	617.5	617.5
Schedule of Exempt Positions:		
Executive Director, Group 3	$80,000	$80,000
Supplemental Appropriations Made in Riders:	$ 221,095	$ 0

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

purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Paint & Remodel Selected Areas of Criss Cole Center	65,000	0
(2) Remodel Administrative Building	150,000	0
(3) Replace HVAC Components-CCRC	28,000	0
(4) Replace Computer Room Air Conditioner	100,000	0
(5) Exterior Building Maintenance-CCRC	$ 0	$ 100,000
Total, Repair or Rehabilitation of Buildings and Facilities	$ 343,000	$ 100,000
b. Acquisition of Information Resource Technologies		
(1) Automate BEP Facilities Purchase of Computers	120,000	120,000
(2) Replace Outdated Printers	51,000	0
(3) Purchase of Various Software Products	227,734	102,739
(4) Client Service Application	500,000	362,000
(5) Desktop Computer Services	461,000	461,000
(6) Terminal Server	$ 100,700	$ 0
Total, Acquisition of Information Resource Technologies	$ 1,460,434	$ 1,045,739
c. Transportation Items		
(1) Purchase New Vehicles	$ 66,000	$ 66,000
d. Acquisition of Capital Equipment and Items		
(1) Establish and Refurbish Food Service Facilities	$ 360,000	$ 340,000
Total, Capital Budget	$ 2,229,434	$ 1,551,739
Method of Financing (Capital Budget):		
GR Dedicated - Business Enterprise Program Account No. 492	$ 399,600	$ 379,600
Federal Funds	1,829,834	1,172,139
Total, Method of Financing	$ 2,229,434	$ 1,551,739

2. **Central Supply Revolving Fund.** The Commission for the Blind may, under such rules and regulations as deemed necessary, maintain and operate on a reimbursable basis a Central Supply Revolving Fund in order to contribute to the efficiency and economy of the Commission under its control and management. The Central Supply Revolving Fund may be established and operated from funds appropriated to the Commission in such amounts as shall be necessary. All receipts deposited to this Fund are appropriated for the purchase of necessary operating supplies and materials for the biennium ending August 31, 2003. To reimburse the funds from which expenditures are made, the Commission may make fund transfers from the appropriations which receive the supplies, or may submit purchase vouchers through the office of the State Comptroller.

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

state-operated special schools, hospitals, institutions or other facilities providing residential services to eligible individuals.

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

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

6. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committees: State Independent Living Council, Elected Committee of Managers, Optometric Advisory Committee, Medical Advisory Council, and Consumer Advisory Committee.

7. **Notification of Federal Funds Distribution.** The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The Texas Commission for the Blind shall notify the Legislative Budget Board and the Governor at least 14 days prior to the expenditure of more than $34,223,540 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the method of finance as federal funds above, in either fiscal year 2002 or 2003. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any general revenue funds appropriated for the subsequent state fiscal year. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.

8. **Appropriation of Donations.** Included in the amounts above in Strategy A.2.2. is $1,058,000 for the biennium for the Blindness Education, Screening, and Treatment Program, contingent upon the generation of funds through donations. All balances on hand, estimated to be $221,095, as of August 31, 2001, and all revenues received from donations made in fiscal year 2002 and 2003, in excess of $1,058,000 as provided by § 521.421 (f) or § 521.422 (b), Transportation Code, are hereby appropriated to the Commission for the Blind for purposes related to the Blindness Education, Screening, and Treatment Program.

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

10. **Earned Federal Funds.** The method of financing item, Earned Federal Funds, for appropriations made above, includes unexpended and unobligated balances of Earned Federal Funds remaining as of August 31, 2001, and receipts earned in fiscal years 2002 and 2003. The appropriation of Earned Federal Funds is limited to the sum of fiscal year 2002 and fiscal year 2003 identified above. Unexpended balances in Earned Federal Funds at the close of the fiscal year ending August 31, 2002, are hereby appropriated to the fiscal year beginning September 1, 2002.

CANCER COUNCIL

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: CANCER SERVICES To ensure that all Texans have prompt access to quality cancer prevention and control information and services in order to increase the number of Texans surviving or never developing cancer.		
A.1.1. Strategy: ENHANCE CANCER SERVICES Mobilize and assist public, private, and volunteer sector agencies and individuals to enhance the availability and quality of cancer prevention and control services and policies.	$ 3,552,133	$ 3,577,142
Output (Volume):		
Number of Statewide, Regional, and Local Strategic Planning Initiatives Promoted by Direct Council Intervention or Contracts	200	200
Number of People Directly Served by Council-funded Cancer Prevention and Control Activities	502,400	490,000
Number of Health Care and/or Education Professionals Who Receive Council-funded Training or Materials	280,000	280,000
Number of Private and Public Grants Pursued by the Cancer Council and Local Contractors in an Effort to Increase Funding	5	5
Number of Clock Hours Donated to Local Contractors for Public Awareness, Professional Education, and Early Detection Activities	300,000	300,000
Efficiencies:		
Average Cost Per Health Care and/or Education Professional Trained	13	13
Explanatory:		
Annual Age-adjusted Cancer Mortality Rate	159.6	158.5
B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	$ 476,711	$ 451,702
Grand Total, CANCER COUNCIL	$ 4,028,844	$ 4,028,844
Number of Full-Time-Equivalent Positions (FTE):	8.0	8.0

CANCER COUNCIL
(Continued)

Schedule of Exempt Positions:		
Executive Director, Group 2	$57,691	$57,691

1. **Unexpended Balances.** Any unexpended balances in the appropriations for the fiscal year ending August 31, 2002, may be carried forward into fiscal year 2003 and such balances are hereby appropriated.

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

3. **Public and Private Grants.** The Cancer Council shall identify any appropriate public or private grants for the purpose of receiving and administering such awards to further the goals of the Texas Cancer Plan. The Cancer Council shall report to the Legislative Budget Board and the Governor by July 1, 2002 on its findings and implementation plan to pursue appropriate grant awards as they become available.

CHILDREN'S TRUST FUND OF TEXAS COUNCIL

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: CHILD ABUSE PREVENTION		
To promote and provide opportunities so that Texas children can grow to responsible and productive adulthood, free of threats to their dignity, physical safety, and emotional well-being.		
Outcome (Results/Impact):		
Percent of Agency Funds Expended on Direct Prevention Services	87%	88%
A.1.1. Strategy: GRANTS, ASSISTANCE, AND AWARENESS	$ 1,700,768	$ 1,700,768
Provide community grants, technical assistance, and public awareness on the prevention of child abuse and neglect.		
Output (Volume):		
Number of Participants in CTF-funded Direct Prevention Programs	26,831	27,200
Number of Grants Awarded	59	45
Efficiencies:		
Average Cost Per Participant in CTF-funded Direct Prevention Programs	60.9	60.9
Average Dollar Amount Per Grant	28,943	37,963
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 177,863	$ 177,863
Grand Total, CHILDREN'S TRUST FUND OF TEXAS COUNCIL	$ 1,878,631	$ 1,878,631

CHILDREN'S TRUST FUND OF TEXAS COUNCIL
(Continued)

Method of Financing:		
GR Dedicated - Children's Trust Fund of Texas Council Operating Account No. 541	$ 1,778,631	$ 1,778,631
Interagency Contracts	100,000	100,000
Total, Method of Financing	$ 1,878,631	$ 1,878,631
Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$53,914	$53,914

1. **Additional FTE Positions.** None of the funds appropriated above may be used to pay for any full-time equivalent (FTE) position that exceeds the Target established above unless the following conditions are met and written approval is obtained from the Legislative Budget Board:

   a. The agency shall submit to the Legislative Budget Board a written justification for the new position that includes a job description, salary and budget considerations, and program outcome measures associated with the new position. The Legislative Budget Board may request and the agency shall provide additional information as needed.

   b. The agency shall submit a written status report to the Legislative Budget Board on a semi-annual basis that describes how the new position was used and progress toward attaining the program outcome measures associated with the new position.

   c. The agency shall demonstrate full accountability for the use of funds and staff.

2. **Appropriation for Texas Children's Memorial.** All gifts, grants, and donations made to the Children's Trust Fund of Texas Council for the purpose of the Texas Children's Memorial in excess of the amounts appropriated above are hereby appropriated to the Council for the purpose of building the Texas Children's Memorial. Unless funds are specifically donated for the purpose of the Texas Children's Memorial, funds may not be expended for that purpose. No revenue received pursuant to marriage license fees or the interest on those fees, and no federal funds, shall be used for the Texas Children's Memorial.

3. **Provision of Direct Services.** The Children's Trust Fund of Texas Council's state plan for expending funds to prevent child abuse and neglect shall emphasize funding for programs that provide direct services such as mentoring, parenting skills, early intervention and prevention, services for high-risk parents, and services to families in crisis.

4. **Limitation on Expenditures.** The Children's Trust Fund of Texas Council's expenditures for public awareness efforts relating to child abuse and neglect, including commemoratives and broad-based public relations campaigns, shall be limited to no more than fifteen percent of all funds appropriated to and available for expenditure by the Council during the fiscal year.

5. **Notification of Contracts.** The Children's Trust Fund of Texas Council shall notify the Governor's Office of any contracts at least 30 days prior to the contract being enacted. The Governor's Office shall have 30 days from notification to disapprove any contracts and to notify the Children's Trust Fund of Texas Council that the contract has not been approved. None of the funds appropriated above may be expended on the contract if the contract is disapproved by the Governor's Office. If notification from the Governor's Office is not received, the Children's Trust Fund of Texas Council may proceed with the contract. The

Children's Trust Fund of Texas Council shall not contract with any individual or organization that is a registered lobbyist, nor shall the agency contract with any individual or organization to provide legislative monitoring, bill tracking, or any other service involving the legislature.

6. **Notification of Travel.** None of the funds appropriated above may be used to pay for out-of-state travel on official business by employees or members of the Children's Trust Fund of Texas Council unless the Children's Trust Fund of Texas Council has provided the Legislative Budget Board and the Governor's Office of Budget and Planning with advance written notification about the travel plans. None of the funds appropriated above may be used to pay for travel out of the country for the purpose of conducting business of the agency.

7. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Children's Trust Fund of Texas Council are made contingent on the continuation of the Children's Trust Fund of Texas Council by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

8. **Limitation on Expenditures for Indirect Administration.** The Children's Trust Fund of Texas Council's expenditures for indirect administration shall be limited to no more than 10 percent of all moneys appropriated to and available for expenditure by the Council during the fiscal year. Indirect administration includes but is not limited to all staffing, travel, information resources, administration of Family Pride Councils, and other operating expenses.

9. **Interagency Contract for Training.** Out of the General Revenue Fund-Dedicated-Children's Trust Fund of Texas Council Operating Account No. 541 amounts appropriated above, expenses for the training of members and staff of the Children's Trust Fund of Texas Council may only be paid under an interagency contract with the Department of Protective and Regulatory Services for the training of members and staff of the Children's Trust Fund of Texas Council.

10. **Quarterly Reporting Requirement.** The Children's Trust Fund of Texas Council shall report quarterly on all expenditures to the Legislative Budget Board, the State Auditor's Office and the Governor. Each report submitted to the Legislative Budget Board, the State Auditor's Office and the Governor pursuant to this provision must be accompanied by any supporting materials requested by the Legislative Budget Board, the State Auditor's Office and the Governor.

11. **Legislative Influence Prohibited.** None of the funds appropriated to the Children's Trust Fund of Texas Council by this Act, regardless of their source or character, shall be used for influencing the passage or defeat of any legislative measure.

12. **Unexpended Balances.** All unexpended balances appropriated to the Children's Trust Fund of Texas for the fiscal year ending August 31, 2002, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

COMMISSION FOR THE DEAF AND HARD OF HEARING

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SERVICES TO INDIVIDUALS		
To promote and regulate an effective system of services to individuals who are deaf or hard of hearing.		
A.1.1. Strategy: CONTRACT SERVICES	$ 1,110,222	$ 1,107,744
Contract for or provide communication access services for persons who are deaf or hard of hearing to include but not be limited to communication access, communication access coordination, advocacy, information and referral, coping skills, nutrition, aging issues, reading, parenting, leadership, assistive listening devices, early intervention, and prevention of hearing loss.		
Output (Volume):		
Number of Contact Hours of Communication Access Services Provided	19,440	22,312
A.1.2. Strategy: TRAINING AND EDUCATION	$ 377,426	$ 397,404
Ensure the quality of programs and services for persons who are deaf or hard of hearing through training and educational programs and advocacy and ombudsman services.		
Output (Volume):		
Number of Individuals Trained	1,200	1,200
Efficiencies:		
Average Cost Per Camper	233	250
A.1.3. Strategy: TELEPHONE ASSISTANCE	$ 326,740	$ 343,240
Ensure equal access to the telephone system for persons with a disability.		
Output (Volume):		
Number of Equipment/Service Vouchers Issued	2,750	3,000
A.2.1. Strategy: INTERPRETERS CERTIFICATION	$ 185,635	$ 185,635
Certify and regulate interpreters and regulate the use of interpreters.		
Output (Volume):		
Number of Interpreter Certificates Issued	1,395	1,415
Efficiencies:		
Average Time for Complaint Resolution (Certified Interpreter)	45	45
A.2.2. Strategy: INTERPRETER TRAINING	$ 30,000	$ 30,000
Monitor, regulate, and fund training programs for communication access throughout Texas.		
Total, Goal A: SERVICES TO INDIVIDUALS	$ 2,030,023	$ 2,064,023
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 217,143	$ 217,143
Grand Total, COMMISSION FOR THE DEAF AND HARD OF HEARING	$ 2,247,166	$ 2,281,166
Method of Financing:		
General Revenue Fund	$ 1,017,926	$ 1,017,926
Appropriated Receipts	459,240	468,240
Interagency Contracts	770,000	795,000
Total, Method of Financing	$ 2,247,166	$ 2,281,166

Number of Full-Time-Equivalent Positions (FTE):		15.0		15.0
Schedule of Exempt Positions:				
Executive Director, Group 2		$70,000		$70,000
Supplemental Appropriations Made in Riders:	$	210,000	$	(110,000)

1. **Fund Transfer.** The Texas Commission for the Deaf and Hard of Hearing and the Health and Human Services Commission shall develop an interagency contract for the provision of administrative services to the TCDHH by HHSC. General revenue funds in the amount of $70,000 in fiscal year 2002 and $70,000 in fiscal year 2003 shall be transferred from TCDHH to HHSC in accordance with the interagency contract.

2. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members is limited to the following advisory committees:

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

3. **Appropriation: Unexpended Balances in Summer Camp Program.** Any unexpended and unobligated balances remaining as of August 31, 2001, in the appropriation made to the Commission for the Deaf and Hard of Hearing by House Bill 1, Seventy-sixth Legislature, Regular Session, Article IX, General Provisions, Acceptance of Gifts of Money, are hereby appropriated to the Commission, for the biennium beginning September 1, 2001, for the purpose of expenses related to the Commission's Summer Camp Program.

4. **Specialized Telecommunication Revolving Account.** The Commission for the Deaf and Hard of Hearing is hereby appropriated $110,000 from the General Revenue Fund to maintain and operate a revolving account for the purpose of administration of the Specialized Telecommunication Program. All receipts deposited to the account as reimbursement for administrative costs are appropriated to the agency. None of the funds appropriated for the Specialized Telecommunication Program may be expended in strategies other than A.1.3, Telephone Assistance. Any balances remaining in the account at the end of the fiscal year may be appropriated for the second year of the biennium. At the end of the biennium reimbursements shall be used to repay the General Revenue Fund and close out the revolving account established for the biennium, pursuant to the provisions of VTCS, Article 1446C § 3.601.

5. **Appropriation: Unexpended Balances in Interagency Contracts (IAC) for Administrative Fees.** Unexpended and unobligated balances remaining as of August 31, 2001 up to $100,000 in the appropriation of Interagency Contracts for Administrative fees made to the Commission for the Deaf and Hard of Hearing by House Bill 1, Seventy-sixth Legislature, for the purpose of specialized projects for individuals who are hard of hearing, are hereby appropriated to the Commission, for the biennium beginning September 1, 2001, and any unexpended balances remaining as of August 31, 2002 are appropriated for the same purpose for the fiscal year beginning September 1, 2002.

6. **Unexpended Balances for the Board of Evaluation of Interpreters (BEI) Program.** Unexpended and unobligated balances in an amount not to exceed $40,000 remaining as of August 31, 2002, in certification fees for Strategy A.2.1, Interpreters Certification, made to the Texas Commission for the Deaf and Hard of Hearing, are hereby appropriated to the

Commission, for fiscal year 2003 beginning September 1, 2002, for the purpose of developing evaluation materials, validating interpreter evaluation materials, and expenses related to the Commission's Certification Program.

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

INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: CHILDREN AT RISK OF DELAY The Interagency Council on Early Childhood Intervention ensures that all children in Texas below the age of three who have developmental needs or are at risk of developmental delay and their families have the resources and supports they need to reach their Individualized Family Service Plan goals.		
Outcome (Results/Impact):		
Percent of Population under Age Three Served	3%	3%
A.1.1. Strategy: ECI ELIGIBILITY AWARENESS Conduct statewide activities which ensure that eligible infants, toddlers and their families are identified and families have access to information about the importance of early intervention and how to receive the resources and supports they need to reach their service plan goals.	$ 627,869	$ 627,869
Output (Volume):		
Number of Referrals Made to Local Programs	40,272	44,520
A.1.2. Strategy: ADMINISTER SYSTEM OF SERVICES Administer a statewide system of services which ensure that eligible infants, toddlers and their families have access to the resources and supports they need to reach their service plan goals.	$ 80,176,903	$ 79,890,208
Output (Volume):		
Number of Children Served in Comprehensive Services	36,604	36,604
Efficiencies:		
Average Cost Per Child: Comprehensive Services State and Federal Funds	2,126	2,117
A.1.3. Strategy: ENSURE QUALITY SERVICES Ensure the quality of early intervention services by offering training and technical assistance, establishing service and personnel standards, and evaluating consumer satisfaction and program performance.	$ 1,326,033	$ 1,326,033
Output (Volume):		
Number of Training and Technical Assistance Events Provided	180	180
A.1.4. Strategy: ELIGIBILITY DETERMINATION SERVICES Provide eligibility determination services to	$ 18,304,573	$ 18,260,252

all referred children to determine eligibility for comprehensive and follow along services.		
Output (Volume):		
Number of Children Receiving Eligibility Determination Services	44,321	44,321
Total, Goal A: CHILDREN AT RISK OF DELAY	$ 100,435,378	$ 100,104,362
B. Goal: RESPITE CARE FOR FAMILIES		
Ensure respite care for families.		
B.1.1. Strategy: RESPITE CARE	$ 500,000	$ 500,000
Coordinate respite care resources.		
Output (Volume):		
Number of Children Receiving Respite Services	833	833
Efficiencies:		
Average Cost Per Child: Respite Services	1,200	1,200
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,278,827	$ 1,277,382
Grand Total, INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION	$ 102,214,205	$ 101,881,744
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 34,820,978	$ 34,820,978
GR Match for Medicaid	820,081	820,081
Subtotal, General Revenue Fund	$ 35,641,059	$ 35,641,059
Federal Funds	61,454,435	54,887,306
Interagency Contracts - Transfer from Foundation School Fund No. 193	5,118,711	11,353,379
Total, Method of Financing	$ 102,214,205	$ 101,881,744
Number of Full-Time-Equivalent Positions (FTE):	66.0	66.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$68,000	$68,000

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

	2002	2003
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) ECI Statewide Centralized Data Base	$ 320,072	$ 205,072
Total, Capital Budget	$ 320,072	$ 205,072

2. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committee: Advisory Committee to the Interagency Council on Early Childhood Intervention.

3. **Reporting and Other Requirements.** The Interagency Council on Early Childhood Intervention, in coordination with the Health and Human Services Commission, shall maintain procedures and monitor contractors for compliance to ensure that third-party resources and Medicaid are billed for eligible services prior to use of state appropriations and federal Individuals with Disabilities Education Act (IDEA), Part C funds. The agency shall submit reports to the Legislative Budget Board, the Governor, and the Health and Human Services Commission, that provide the information about the enrolled children and funded services. The timetable, format and content of the reports shall be prescribed by the Legislative Budget Board.

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

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

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

   b. Prior to expenditure in fiscal year 2003 of $11,353,379 in funds received through interagency contract with the Texas Education Agency, the agency shall provide the documentation referenced in section (4) above. Use of funds in fiscal year 2003 shall be subject to the prior approval of the Governor and the Legislative Budget Board.

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

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

6. **Education Funding.** Included in the Method of Financing in Other Funds above is $5,118,711 in fiscal year 2002 and $11,353,379 in fiscal year 2003 set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination.

   The Interagency Council on Early Childhood Intervention is hereby required to enter into a Memorandum of Understanding with the Texas Education Agency for the purpose of providing funds to ECI contractors for eligibility determinations services, as specified. The Memorandum of Understanding may include other provisions the agencies deem necessary. The Interagency Council shall provide a signed copy of the Memorandum of Understanding to the Legislative Budget Board and the Governor, no later than October 1, 2001.

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

8. **Informational Rider - Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Interagency Council on Early Childhood Intervention also receives appropriations in Article XII. Amounts appropriated in Article XII are for the following program in the following amounts:

	For the Years Ending August 31, 2002	August 31, 2003
Tobacco Settlement Receipts		
Interagency Council on Early Childhood Intervention - Respite Care		
B.1.1. Strategy: Respite Care	$ 500,000	$ 500,000 & UB

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PREVENTION & PROMOTION Ensure that prevention, promotion and education are integral parts of all public health services. Reduce health hazards, support resistance to health threats and promote disease control. Promote individual and community involvement in improving personal and environmental health.		
Outcome (Results/Impact):		
Percentage of Inspected Entities in Compliance with Statutes and/or Rules	80%	80%
Percentage of Eligible WIC Population Served	70%	70%
Percent of AIDS Cases Diagnosed Two Years Ago and Living 24 Months or More	88%	88%
Vaccination Coverage Levels among Children Aged 19 to 35 Months	82%	85%
A.1.1. Strategy: BORDER HEALTH & COLONIAS Develop and implement programs designed to assist in the reduction of consumer, environmental, occupational and community health hazards along the Texas/Mexico border and in the "colonias" in a binational effort that coordinates with local providers and community leaders.	$ 1,120,902	$ 1,120,902
A.1.2. Strategy: FOOD (MEAT) & DRUG SAFETY Design and implement uniform and effective programs to ensure the safety of food, drugs, and medical devices.	$ 17,639,389	$ 17,639,388
Efficiencies:		
Average Cost Per Surveillance Activity	173	173
A.1.3. Strategy: ENVIRONMENTAL HEALTH Develop and implement comprehensive, uniform and effective risk assessment and risk management programs in the areas of consumer products, occupational and environmental health, and community sanitation.	$ 6,845,496	$ 6,845,496
Output (Volume):		
Number of Enforcement Actions Initiated	5,960	5,930
Efficiencies:		
Average Cost Per Surveillance Activity	161	161
A.1.4. Strategy: RADIATION CONTROL Develop and implement a comprehensive regulatory program for all sources of radiation using risk assessment and risk management techniques.	$ 7,280,819	$ 7,280,819
Efficiencies:		
Average Cost Per Surveillance Activity	228	228
A.2.1. Strategy: WIC FOOD & NUTRITION SERVICES To provide nutrition services, including benefits, to eligible low income women, infants and children (WIC) clients, nutrition education and counseling.	$ 542,480,374	$ 558,980,374
Output (Volume):		
Number of WIC Participants Provided Nutritious Food Supplements Per Month	772,900	783,738
Efficiencies:		
Average Food Costs Per Person Receiving Services	27.42	28.02

Explanatory:		
Incidence (Percent) of Low Birth Weight Babies Born to Women, Infants and Children (WIC) Nutrition Program Mothers	5.3%	5.3%
A.3.1. Strategy: HIV & STD EDUCATION & SERVICES	$ 103,351,661	$ 103,351,662
Provide HIV and STD education to prevent the spread of infection, identify individuals infected with or exposed to HIV/STD, provide HIV/STD medications, and link infected and exposed individuals to health and social service providers for intervention.		
Output (Volume):		
Number of Persons Served by the HIV Medication Program	12,100	12,100
A.3.2. Strategy: IMMUNIZATIONS	$ 33,721,033	$ 33,721,033
Implement programs to immunize Texas residents.		
Output (Volume):		
Number of Doses Administered	7,771,507	7,771,507
Explanatory:		
Dollar Value (in Millions) of Vaccine Provided by the Federal Government	78	78
A.3.3. Strategy: PREVENTABLE DISEASES	$ 61,188,019	$ 60,089,590
Implement programs to reduce the incidence of preventable health conditions such as zoonotic diseases (including tuberculosis) and dental disease, and to improve epidemiological activities to track reductions.		
Output (Volume):		
Number of Diabetes-related Technical and Educational Consultations and Preventive Activities Provided	322,139	336,043
A.3.4. Strategy: CHRONIC DISEASE SERVICES	$ 29,220,159	$ 23,070,159
Provide prompt service and/or referral of all eligible applicants for chronic disease services.		
Output (Volume):		
Number of Kidney Health Clients Provided Services	21,379	22,876
A.3.5. Strategy: TOBACCO EDUCATION AND PREVENTION	$ 1,207,016	$ 1,207,015
Develop and implement a statewide program to provide education, prevention and cessation in the use of cigarettes and tobacco products.		
A.3.6. Strategy: CHILDREN AND PUBLIC HEALTH	$	$
Issue grants to local communities for essential public health services to reduce health disparities and to improve health outcomes.		
Total, Goal A: PREVENTION & PROMOTION	$ 804,054,868	$ 813,306,438
B. Goal: MEDICAID SERVICES		
Develop a comprehensive approach to integrate certain Medicaid services with other service delivery programs.		
B.1.1. Strategy: MEDICAL TRANSPORTATION	$ 53,173,773	$ 61,662,428
Provide non-ambulance transportation for eligible Medicaid recipients to and from providers of Medicaid services.		
B.1.2. Strategy: TEXAS HEALTH STEPS (EPSDT) MEDICAL	$ 73,974,825	$ 76,397,737
Provide access to comprehensive diagnostic/treatment services for eligible clients by maximizing the use of primary		

prevention, early detection and management of health care in accordance with all federal mandates.		
B.1.3. Strategy: TEXAS HEALTH STEPS (EPSDT) DENTAL Provide dental care in accordance with all federal mandates.	$ 193,801,827	$ 199,659,741
Total, Goal B: MEDICAID SERVICES	$ 320,950,425	$ 337,719,906
C. Goal: HEALTH CARE STANDARDS Assure the highest quality services to all Texans across the care continuum. Respond promptly to the public's needs and concerns about health professionals and health facilities.		
Outcome (Results/Impact):		
Percentage of Licensed, Certified, Registered, Permitted, or Documented Professionals out of Compliance with State Regulations	1.79%	1.15%
C.1.1. Strategy: HEALTH CARE STANDARDS Implement programs to ensure timely, accurate issuance of licenses, certifications, permits, documentations and placing on a registry for health care professionals and implement cost-effective, efficient, consistent plan to license/certify and provide technical assistance to health care facilities.	$ 11,034,094	$ 11,034,589
Output (Volume):		
Number of Health Care Professionals Licensed, Permitted, Certified, Registered, or Documented	108,214	109,136
Number of Complaint Investigations Conducted	942	972
C.2.1. Strategy: LABORATORY Operate a state-of-the-art reference laboratory to provide essential support to disease prevention and other TDH associateship programs in the isolation, identification, detection and verification of living/nonliving agents which cause disease and disabilities.	$ 21,930,919	$ 22,021,921
Output (Volume):		
Work Time Units Produced	14,823,000	14,823,000
C.2.2. Strategy: LABORATORY-BOND DEBT SERVICE Reference laboratory - bond debt service.	$ 3,143,461	$ 3,141,118
Total, Goal C: HEALTH CARE STANDARDS	$ 36,108,474	$ 36,197,628
D. Goal: EQUITABLE ACCESS Work to eliminate disparities in health status among all population groups. Reduce rates of diseases and conditions which disproportionately affect minority populations. Allocate public health resources in a rational and equitable manner. Promote equitable access to quality health care and public health education for all populations through private providers, public clinics, and/or private-public cooperative ventures.		
Outcome (Results/Impact):		
Number of Infant Deaths Per Thousand Live Births (Infant Mortality Rate)	6	5.9
Percentage of Low Birth Weight Births	7.5%	7.6%
Number of Pregnant Females Age 13-19 Per Thousand (Adolescent Pregnancy Rate)	65	65
Percent Reduction in the Number of Births to Adolescents Age 13-17 in Communities Funded for Abstinence Education Programs of Children Who Participate in Program	1%	1%

D.1.1. Strategy: WOMEN AND CHILDREN'S HEALTH SRVS	$ 50,803,971	$ 40,211,624
Provide easily accessible, quality and community-based maternal and child health services to low-income women, infants, children and adolescents.		
Output (Volume):		
Number of Infants and Children Age 1-20 Years Provided Services	77,345	60,094
Number of Women Provided Services	81,748	65,398
D.1.2. Strategy: FAMILY PLANNING	$ 65,449,974	$ 65,831,011
Increase family planning services throughout Texas for adolescents and women.		
Output (Volume):		
Number of Adults and Adolescents Receiving Family Planning Services	401,092	399,148
Efficiencies:		
Average Annual Cost Per Family Planning Client	166.31	166.31
D.1.3. Strategy: SPECIAL NEEDS CHILDREN	$ 33,197,517	$ 39,697,517
Administer the Chronically Ill and Disabled Children's (CIDC) and Children with Special Health Care Needs (CSHCN) Program.		
Output (Volume):		
Number of Children with Special Health Care Needs - CSHCN (CIDC) - Receiving Case Management Services	64,210	64,852
D.1.4. Strategy: ABSTINENCE EDUCATION	$ 6,421,575	$ 6,421,575
Increase abstinence education programs in Texas.		
Output (Volume):		
Number of Persons Served in Abstinence Education Programs	138,156	138,156
D.2.1. Strategy: COMMUNITY HEALTH SERVICES	$ 17,035,586	$ 17,035,586
Develop systems of primary and preventive health care delivery to alleviate the lack of health care in underserved areas of Texas; and develop and implement program policies that are sensitive and responsive to minority populations.		
Output (Volume):		
Number of COPH Eligible Patients Provided Access to Primary Care Services	80,000	80,000
D.2.2. Strategy: RURAL HEALTH CARE ACCESS	$ 2,186,917	$ 2,186,917
Develop programs to alleviate the lack of access to primary and preventive health care in rural areas of Texas.		
Output (Volume):		
Number of Primary Care Practitioners Recruited to Rural Communities	50	50
Total, Goal D: EQUITABLE ACCESS	$ 175,095,540	$ 171,384,230
E. Goal: COORDINATED HEALTH SYSTEM		
Establish a coordinated and unified statewide system of public health. Promote the development of competent and effective health leadership throughout the state, focusing on local level development. Coordinate public health policy and service delivery with state agencies, local government, public and private sectors, and the public.		
Outcome (Results/Impact):		
Percentage of Reported Cases of Tuberculosis That Are Treated Appropriately	100%	100%
E.1.1. Strategy: VITAL STATISTICS SYSTEM	$ 3,585,407	$ 3,585,407
Provide a cost-effective, timely and secure system for recording, certifying, and		

disseminating information relating to births, deaths, fetal deaths, marriages, and divorces occurring in this state.				
Efficiencies:				
Average Number of Days to Certify or Verify Records		13		12
E.1.2. Strategy: HEALTH DATA & POLICY Collect, analyze and distribute data concerning health trends, status, and systems as tools for decision-making policy.	$	2,208,330	$	2,208,330
Output (Volume):				
Number of Requests for Data and Information Completed		3,000		2,900
E.1.3. Strategy: HEALTH CARE & OUTCOMES Collect, analyze and distribute health care data concerning charges, utilization, provider quality, and outcomes.	$	1,259,197	$	1,259,197
Output (Volume):				
Number of Requests for Data on Hospitals, Hospital Discharges, Health Maintenance Organizations, or HEDIS Reports Filled		1,920		2,300
E.2.1. Strategy: SUPPORT OF INDIGENT HEALTH SERVICES Provide support to local governments and tertiary care facilities that provide indigent health care services.	$	17,082,790	$	17,082,790
Efficiencies:				
Average State Expenditure Per County		270,094		261,000
E.2.2. Strategy: EMERGENCY HEALTH CARE SYSTEM Develop and enhance regionalized emergency health care systems.	$	2,113,603	$	2,113,603
Output (Volume):				
Number of Emergency Health Care Providers (EMS Firms, Hospitals, RACS) Assisted through EMS/Trauma System Funding Programs		725		725
E.2.3. Strategy: HEALTHCARE FACILITIES Provide for more than one level of care for tuberculosis, infectious diseases and chronic respiratory disease patients, provided in systematic coordination among the two hospitals and other health care providers.	$	54,012,473	$	20,112,473
Output (Volume):				
Number of Inpatient Days, Texas Center for Infectious Disease		26,000		26,000
Number of Outpatient Visits, South Texas Hospital		50,000		50,000
E.2.4. Strategy: PUBLIC HEALTH SERVICES Coordinate essential public health services at the local level through public health regions and affiliated local health departments, emphasizing community involvement.	$	9,440,261	$	9,440,261
E.2.5. Strategy: INDIGENT HEALTH REIMBURSEMENT Reimburse the provision of indigent health services through the deposit of funds in the State-owned Multicategorical Teaching Hospital Account.	$	20,000,000	$	20,000,000
E.2.6. Strategy: SMALL URBAN HOSP CAP IMPROVEMENTS Provide funding through competitive grants to assist small urban hospitals with capital improvement projects with the goal of increasing access to health care services needed within the community.	$		$	

E.2.7. Strategy: RURAL HEALTH CAPITAL IMPROVEMENTS Provide low interest loans and/or grants to public and non-profit rural health facilities for use in financing capital improvement needs and projects.	$	$
Total, Goal E: COORDINATED HEALTH SYSTEM	$ 109,702,061	$ 75,802,061
F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 12,647,301	$ 12,677,510
F.1.2. Strategy: INFORMATION RESOURCES	$ 6,901,399	$ 6,911,026
F.1.3. Strategy: OTHER SUPPORT SERVICES	$ 9,527,287	$ 9,540,513
F.1.4. Strategy: REGIONAL ADMINISTRATION	$ 8,281,278	$ 8,285,124
Total, Goal F: INDIRECT ADMINISTRATION	$ 37,357,265	$ 37,414,173
Grand Total, DEPARTMENT OF HEALTH	$ 1,483,268,633	$ 1,471,824,436
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 198,243,540	$ 197,749,890
GR Match for Medicaid	132,444,382	139,404,226
Earned Federal Funds	4,800,000	4,800,000
GR for Maternal and Child Health Block Grant	40,208,728	40,208,728
GR for HIV Services	27,488,042	27,488,042
Vendor Drug Rebates–Public Health, estimated	6,964,946	814,946
Subtotal, General Revenue Fund	$ 410,149,638	$ 410,465,832
General Revenue Fund - Dedicated		
Vital Statistics Account No. 019	2,612,092	2,612,092
Hospital Licensing Account No. 129	986,289	986,289
Food and Drug Fee Account No. 341	1,289,118	1,289,117
Bureau of Emergency Management Account No. 512	954,389	954,389
Department of Health Public Health Services Fee Account No. 524	6,674,530	6,674,530
Advisory Commission on Emergency Communications Account No. 5007	2,001,200	2,001,200
Crippled Children Account No. 5009	130,000	130,000
Asbestos Removal Licensure Account No. 5017	2,056,358	2,056,358
Workplace Chemicals List Account No. 5020	631,160	631,160
Certificate of Mammography Systems Account No. 5021	439,568	439,569
Oyster Sales Account No. 5022	599,572	599,572
Food and Drug Registration Account No. 5024	3,619,930	3,619,930
State Owned Multicategorical Teaching Hospital Account No. 5049	20,000,000	20,000,000
Animal Friendly Account No. 5032	500,000	0
Health Department Laboratory Financing Fees (formerly 3595)	3,143,461	3,141,118
WIC Rebates (formerly 3597)	181,600,000	187,100,000
Subtotal, General Revenue Fund - Dedicated	$ 227,237,667	$ 232,235,324
Federal Funds	790,525,957	807,580,111

Other Funds		
Telecommunications Infrastructure Fund No. 345	212,203	0
Appropriated Receipts	2,042,405	2,042,405
State Chest Hospital Fees and Receipts	1,675,000	1,675,000
TDH Public Health Medicaid Reimbursements	8,387,966	8,687,967
Interagency Contracts	9,137,797	9,137,797
Bond Proceeds - General Obligation Bonds	33,900,000	0
Subtotal, Other Funds	$ 55,355,371	$ 21,543,169
Total, Method of Financing	$ 1,483,268,633	$ 1,471,824,436
Number of Full-Time-Equivalent Positions (FTE):	5,116.4	5,116.4
Schedule of Exempt Positions:		
Commissioner of Health, Group 6	$155,000	$155,000

LIMITATIONS ON EXPENDITURES

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Laboratory - Bond Debt Service	3,143,461	3,141,118
(2) Hospital Construction	$ 33,900,000	$ 0
Total, Construction of Buildings and Facilities	$ 37,043,461	$ 3,141,118
b. Repair or Rehabilitation of Buildings and Facilities		
(1) HIV Building Security System	$ 25,000	$ 0
c. Acquisition of Information Resource Technologies		
(1) Wide Area Network Upgrade (BOP 008)	46,745	46,745
(2) LAN Backbone Upgrade (BOP 009)	43,850	43,850
(3) ICES Upgrade (BOP 010)	79,400	28,500
(4) Telecommunications Switch/PBX Expansion (BOP 015)	71,500	71,500
(5) Workstation Replacement Project (BOP 020)	2,985,178	3,084,870
(6) CSHCN Redevelopment (BOP 217)	250,000	100,000
(7) Bureau of HIV & STD Prevention LANs (BOP 507)	500,378	464,072
(8) Birth Defects Monitoring (BOP 520)	192,344	154,144
(9) Cancer Registration (BOP 521)	457,600	130,400
(10) HIV & STD Prevention - Fiber Optic (BOP 531)	523,880	11,568
(11) BVS - Certificate Manager 2003 (BOP 609)	181,192	131,192
(12) BEH - Client / Server Project (BOP 701)	96,000	96,000
(13) WIC EBT (Electronic Benefits Transfer) (BOP WIC Project Over Threshold)	4,089,621	8,528,968
(14) Health Alert Network (BOP HAN Project Over Threshold)	640,000	640,000

(15) National Electronic Disease Surveillance System (BOP NEDSS Project Over Threshold)	1,059,600	1,059,600
(16) Texas-Wide-Integrated Client Encounter (BOP TWICES Project Over Threshold)	19,000	0
(17) Computer Equipment (WIC Local Clinics)	$ 1,128,000	$ 1,128,000
Total, Acquisition of Information Resource Technologies	$ 12,364,288	$ 15,719,409
d. Acquisition of Capital Equipment and Items		
(1) Equipment and Furniture for New Laboratory Building	2,100,000	0
(2) Miscellaneous Laboratory Equipment	0	1,282,000
(3) Cytology Laboratory Equipment	103,000	110,000
(4) MLPP for South Texas Hospital Lab Equipment (1998/1999)	$ 44,323	$ 44,127
Total, Acquisition of Capital Equipment and Items	$ 2,247,323	$ 1,436,127
Total, Capital Budget	$ 51,680,072	$ 20,296,654
Method of Financing (Capital Budget):		
General Revenue Fund		
General Revenue Fund	$ 1,908,367	$ 1,326,688
Earned Federal Funds	21,549	8,075
Subtotal, General Revenue Fund	$ 1,929,916	$ 1,334,763
General Revenue Fund - Dedicated		
Vital Statistics Account No. 019	181,192	131,192
Hospital Licensing Account No. 129	17,957	20,188
Bureau of Emergency Management Account No. 512	4,489	0
Department of Health Public Health Services Fee Account No. 524	2,100,000	970,452
Asbestos Removal Licensure Account No. 5017	25,186	25,182
Workplace Chemicals List Account No. 5020	19,200	19,200
Food and Drug Registration Account No. 5024	8,679	0
Permanent Fund Children & Public Health Account No. 5045	0	7,477
Health Department Laboratory Financing Fees (formerly 3595)	3,143,461	3,141,118
Subtotal, General Revenue Fund - Dedicated	$ 5,500,164	$ 4,314,809
Federal Funds	10,300,265	13,934,703
Other Funds		
Appropriated Receipts	40,000	50,000
TDH Public Health Medicaid Reimbursements	0	653,406
Interagency Contracts	9,727	8,973
Bond Proceeds - General Obligation Bonds	33,900,000	0
Subtotal, Other Funds	$ 33,949,727	$ 712,379
Total, Method of Financing	$ 51,680,072	$ 20,296,654

2. **Business Improvement Plan.** It is the intent of the Legislature that the Board of Health and the Department of Health shall develop and implement with the assistance of the Health and Human Services Commission, a comprehensive business improvement plan for the Texas

Department of Health. The plan shall include timelines, benchmarks and projected outcomes for improvement of the department's systems and controls. The plan shall be prepared in a format specified by the Health and Human Services Commission and the State Auditor and shall address elements including:

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

An initial assessment report will be due on December 1, 2001, with additional reports due at the end of each state fiscal quarter. The department shall provide a status report on the implementation of the business improvement plan to the Governor, Legislative Budget Board, Legislative Audit Committee, the Health and Human Services Commission, and the State Auditor. The reports shall be prepared in a format specified by the Health and Human Services Commission and the State Auditor and shall include specific information demonstrating the progress made by the department in achieving the goals and objectives of the plan.

The Health and Human Services Commission and the State Auditor shall monitor the implementation of the plan. The Texas Department of Health may enter into a contract for consultant services from a management consultant to assist with the planning and development and evaluation of the elements described above.

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

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

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

4. **Transfer Authority.** Subject to the limitations contained in provisions No. 3, Limitation: Medicaid Transfer Authority, No. 5, Management of Funds in the Children with Special Health Care Needs (CSHCN) Program and No. 6, Laboratory Project, and notwithstanding any other provision, appropriations contained in this Act to the Department of Health may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, upon approval by the Board of Health and upon request of the Commissioner, subject to the following reporting requirements:

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

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

   c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which

was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

5. **Management of Funds in the Children with Special Health Care Needs (CSHCN) Program.** Amounts appropriated above to the Department of Health in Strategy D.1.3, Special Needs Children may only be transferred to Strategy E.2.1, Support of Indigent Health Services, to the Health and Human Services Commission Strategy B.2.4, Premium: Children/Medically Needy. Transfers to the Health and Human Services Commission from Department of Health Strategy D.1.3. may only be made if General Revenue is made available by CSHCN-eligible children becoming eligible for Medicaid. Any transfers pursuant to this provision are subject to prior notification to the Legislative Budget Board and the Governor that such a transfer is to take place. Funds may not be transferred from D.1.3, Special Needs Children, if such a transfer would result in a loss of, or reduction in, services or a loss of, or reduction in, persons otherwise eligible for CSHCN services. Notwithstanding any other provisions contained in this Act, no transfers shall be made out of Strategy D.1.1, Women and Children's Health Services. Further, the department shall make expenditures from Strategy D.1.3, Special Needs Children, from state funds in proportion to the source of funds budgeted for the strategy. The department shall report quarterly on compliance with this provision to the Legislative Budget Board and the Governor. The Comptroller of Public Accounts shall monitor compliance with these provisions and establish additional procedures, if necessary.

6. **Laboratory Project.**

   a. Proceeds generated from the sale of the revenue bonds authorized by Article 601d, § 24A(b)11, Vernon's Texas Civil Statutes for the laboratory and office facilities project for the Department of Health are hereby appropriated to the Texas Department of Health, in an aggregate amount not to exceed $42.3 million, for the purposes specified in that Act.

   b. Funds appropriated pursuant to this section may be transferred to the General Services Commission for project planning and construction.

   c. All receipts generated by the Texas Department of Health from laboratory fees during the 2002–03 biennium are hereby appropriated to the Texas Department of Health for transfer to the Texas Public Finance Authority for the payment of debt services on the project revenue bonds.

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

7. **Appropriations Limited to Revenue Collections.** The Board of Health shall review all of the fee schedules within its authority on an annual basis. The Department of Health shall provide a copy of the report summarizing this review to the Legislative Budget Board and the Governor's Office no later than September 1 of each year in the biennium, with a copy of the final report to be submitted no later than January 1 of each year of the biennium. It is the intent of the Legislature that, to the extent feasible, fees, fines and other miscellaneous revenues as authorized and generated by the department cover, at a minimum, the cost of the appropriations made for the programs listed in the table below, as well as the "other direct and indirect costs"

associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $7,726,282 for fiscal year 2002 and $8,056,058 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. This rider shall apply to revenues generated in the following strategies and deposited under the following revenue codes or account numbers:

Strategy	**Revenue Code or Account**
A.1.2. Food (Meat) & Drug Safety	• 341 Food & Drug Retail Fee • 5022 Oyster Sales • 5024 Food & Drug Registration • Fees deposited into 001 to support Food (Meat) and Drug Safety, including fees deposited under the following revenue codes: 3142 (Food Service Worker Training); 3180 (Health Regulation Fees for Body Piercing and Tattoo Studios, Tanning Facility Fees, and Narcotic Treatment Fees); 3400 (Business Fees-Agriculture, for Renderers Licenses and Milk Industry Products); 3414 (Agriculture Inspection Fees, for Meat Inspection); 3554 (Food and Drug Fees, for Medical Device Wholesalers, Food Drug and Cosmetic Sales, and Frozen Desserts).
A.1.3. Environmental Health	• 5017 Asbestos Removal Licensure • 5020 Workplace Chemical List • Fees deposited into 001 to support A.1.3, Environmental Health, including fees deposited under the following revenue codes: 3123 (Glue and Paint Sales Permit); 3141 (Bedding Permit Fees); 3175 (Professional Fees, for Code Enforcement Officers); 3180 (Lead-Based Paint Certification Program); 3555 (Hazardous Substance Manufacture); 3562 (Health Related Professions Fees, for Sanitarian Registration and Pesticide Use and Application Program); and 3573 (Health Licenses for Camps, for Migrant Camps and Youth Camps).
A.1.4. Radiation Control	• 5021 Certificate of Mammography Systems • Fees deposited into 001 to support A.1.4, Radiation Control, including fees deposited under the following revenue codes: 3589 (Radiation Control).
C.1.1. Health Care Standards	• 129 Hospital Licensing • 512 Emergency Management • Fees deposited into 001, Revenue Codes: 3175 (Professional Fees, for Health Services Providers, Athletic Trainers); 3180 (Health Regulation Fees, for Special Care Facilities); 3557 (Health Care Facilities Fees, for Abortion Clinics, Ambulatory Surgical Centers, Birthing Centers and End Stage Renal Disease Facilities); 3560 (Medical Examination and Registration, for Perfusionists, Medical Radiologic Technicians, and Respiratory Therapists); 3562 (Health Related Profession Fees, for Medical Physicists, Hearing Aid Dispensers, Marriage

and Family Therapists, Massage Therapists, Respiratory Care Practitioners, Professional Counselors, Dispensing Opticians, Speech Pathologists, Dietitians); 3616 (Social Worker Regulation); and 3727 (Council on Sex Offender Treatment Providers).

E.1.1. Vital Statistics System
- 019 Vital Statistics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. **Management of Federal Block Grant Funds and Laboratory Funds.** No later than September 1 of each year of the biennium, the Department of Health shall submit a plan for the use of any federal block grant funds appropriated above to the Legislative Budget Board and the Governor. In addition, the department shall submit a plan for the use of funds appropriated in Strategy C.2.1, Laboratory. These plans will be prepared in a format specified by the Legislative Budget Board. No federal block grants appropriated above may be expended by the department until this plan is approved by the Legislative Budget Board and the Governor. Furthermore, any reallocation of federal block grant funds included in the plan must be approved by the Legislative Budget Board and the Governor.

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

Department of Health shall annually notify the Comptroller, the Legislative Budget Board, and the Governor of any educational expenditures exempted under this section.

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

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

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

BUDGET POLICY AND APPROPRIATION MANAGEMENT

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

21. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B and D.1.2. Family Planning out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2002 to fiscal year 2003, and such funds are appropriated to the department for the 2002–03 biennium.

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

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

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

BUDGET POLICY AND APPROPRIATION MANAGEMENT, HOSPITAL RELATED

24. **Transfers of Appropriations–State-owned Hospital.** The State Chest Hospital shall transfer from non-Medicaid state appropriated funds $10,727,572 in fiscal year 2002 and $10,727,572 in fiscal year 2003 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Governor and the Legislative Budget Board are authorized to adjust the amounts of such transfers as necessary to match available Federal Funds.

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

    a. In addition to salary, the Directors of the State Healthcare Facilities are authorized a house, utilities, and supplement from the department's Medical Services Trust Fund.

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

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

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

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

EXPENDITURES SPECIFICALLY AUTHORIZED

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

27. **Professional Liability Insurance Premiums.** From the appropriations made above, the department may also pay the professional liability premiums for those physicians, dentists,

hygienists, nurses, and other medical personnel involved in providing medical and dental care in the department's clinical operations.

28. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Family Planning Advisory Council, State Preventive Health Advisory Committee, Oral Health Advisory Committee, and Texas Radiation Advisory Board, and the Texas Traumatic Brain Injury Advisory Council.

    Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Prostate Cancer Advisory Committee, Osteoporosis Advisory Committee, Texas HIV Medication Program Advisory Committee, Scientific Advisory Committee on Birth Defects in Texas, Animal Friendly Advisory Committee, Children with Special Health Care Needs Advisory Committee, Device Distributors and Manufacture's Advisory Committee, Sanitarian/Code Enforcement Officer's Advisory Committee, Asbestos Advisory Committee, Wholesale Drug Distributors Advisory Committee, Opticians' Registry Advisory Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioners Advisory Committee, Governor's Emergency Medical Services and Trauma Advisory Council, Hospital Data Advisory Committee, Indigent Health Care Advisory Committee, Kidney Health Care Advisory Committee, and School Health Advisory Committee.

ADDITIONAL APPROPRIATION AUTHORITY

29. **Appropriation of Radiation and Perpetual Care Security Trust Account 880.** Any revenue collected and deposited in the Radiation and Perpetual Care Security Trust Account during this biennium or any biennium is hereby appropriated beginning with the effective date of this Act.

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

31. **Unexpended Balances-Prevention and Promotion.** Subject to the approval of the Board of Health, all unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A: Prevention and Promotion, at the close of the fiscal year ending August 31, 2002, are hereby appropriated for the fiscal year beginning September 1, 2002. The Department of Health shall submit a report to the Legislative Budget Board and the Governor identifying any appropriations carried forward into fiscal year 2003 pursuant to this provision no later than 14 days after Board approval. The report shall be prepared in a format prescribed by the Legislative Budget Board.

32. **Contingent Revenue, Food and Drug Retail Fees.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue–Dedicated Account 341, Food and Drug Retail Fees, above the amounts identified in fiscal years 2002 and 2003 for Account 341 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of restaurant inspections. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2002–2003 for Revenue Objects deposited into Account 341.

33. **Laboratory Revenue.** The Department of Health is hereby appropriated any additional laboratory revenues, generated in General Revenue–Dedicated Account 524, above the amounts

identified in fiscal years 2002 and 2003 for Account 524 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of laboratory operations. This appropriation does not include any amounts deposited into Revenue Object 3561. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2002– 2003 for Revenue Objects deposited into Account 524 and exclude amounts estimated for Revenue Object 3561. Laboratory revenues deposited into Revenue Object No. 3561 are statutorily dedicated for laboratory debt service and may not be used for any other purpose.

34. **Tertiary Care Facility Program.** Pursuant to the provisions of Health and Safety Code § 46.003, out of amounts appropriated above, $16,693,300 for the biennium in Strategy E.2.1, Support of Indigent Health Services, is contingent upon those amounts being collected and deposited for Tertiary Care into Revenue Object 3963 in the General Revenue Fund, not including amounts deposited into the Multi-categorical Teaching Fund Account.

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

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

35. **Asbestos Revenue.** The Department of Health is hereby appropriated any additional revenues generated in General Revenue–Dedicated, Account 5017, Asbestos Removal Licensure, above $3,786,000 in fiscal year 2002 and $3,786,000 in fiscal year 2003, for the purpose of asbestos inspections and regulatory activities. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2002–03 for Revenue Object 3175 deposited into General Revenue–Dedicated, Account 5017, Asbestos Removal Licensure.

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

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

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

Health Programs Drug Manufacturer Rebate Program for the Children with Special Health Care Needs Program and the Kidney Health Care Program.

OTHER PROVISIONS

39. **Childhood Lead Registry.** Out of funds appropriated above in Strategy A.3.3, Preventable Diseases, a total of $80,700 in total funds and $65,000 in General Revenue funds each fiscal year of the 2002–03 biennium shall be used for the Childhood Lead Registry.

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

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

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

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

43. **Transfer for Health Professions Council.** Out of funds appropriated above in Strategy C.1.1, Health Care Standards, an amount equal to $14,909 in fiscal year 2002 and $16,241 in fiscal year 2003 shall be used for transfer to, and expenditure by, the Health Professions Council as the pro-rated assessment of the Health Licensing Division of the Department of Health.

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

45. **Increase Immunization.** The Department of Health (TDH) shall report to the Legislative Budget Board and the Governor no later than September 30 of each year of the biennium on plans to increase immunization rates in Texas, focusing on immunization of pre-school age

children. It is the intent of the Legislature that this report be used by the department in managing state and federal resources to increase immunization rates. The report shall detail the following:

a. Methodology used to determine rates of immunization;

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

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

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

46. **Osteoporosis Education Program.** Out of the funds appropriated above in Strategy A.3.3, Preventable Diseases, $250,000 in each fiscal year of the biennium shall be used to implement a program to educate the public regarding the causes and detection of, and treatment for, osteoporosis. At least 50 percent of the operating budget shall be dedicated for public service announcements and other means of public communication.

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

48. **Oyster Sampling and Research.** Out of funds appropriated above in Strategy A.1.2, Food (Meat) and Drug Safety, $124,000 in fiscal year 2002 and $130,250 in fiscal year 2003 in the General Revenue–Dedicated, Account 5022, Oyster Sales are allocated for use by the Department of Health to contract with Texas A&M at Galveston, Marine Biology Department, Seafood Safety Laboratory to carry out the particular scientific aspects of research on Vibrio parahaemolyticus and Vibrio vulnificus in Texas oysters. Also out of funds appropriated above in Strategy A.1.2, Food (Meat) and Drug Safety, $10,000 in fiscal year 2002 and $10,000 in fiscal year 2003 in the General Revenue–Dedicated Fund, Account 5022, Oysters Sales are allocated for the purpose of collecting oyster samples necessary for the research project and delivering the oyster samples to the Seafood Safety Laboratory. Appropriation of these funds does not preclude the use of other funds (such as federal or other grants, donations, or awards) to carry out the activities by either the Department of Health or Texas A&M at Galveston, Marine Biology Department, Seafood Safety Laboratory as provided for herein.

49. **Hepatitis A Immunizations in Counties of High Incidence.** Out of funds appropriated above in Strategy A.3.2, Immunizations, the Department of Health shall allocate $400,000 in fiscal year 2002 and $400,000 in fiscal year 2003 for the purpose of providing vaccinations against Hepatitis A to preschoolers and adolescents, who are not eligible for Medicaid, and who reside in the following high incidence counties: Bailey, Bee, Bexar, Brown, Cochran, Comal, Dallam, Dallas, Dawson, Deaf Smith, Ector, Gaines, Glasscock, Grayson, Hale, Harris, Hidalgo, Hood, Karnes, Knox, Lamb, Maverick, Medina, Moore, Nueces, Oldham, Potter, Roberts, Runnels, Terry, Travis, Upton, Ward, and Yoakum.

50. **Expenditures Related to School Health.** The Department of Health shall expend the greater of either 3 percent of total expenditures in Strategy D.1.1, Women and Children's

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

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

52. **Use of Community Health Service Funds.** It is the intent of the Legislature that funds appropriated in Strategy D.2.1, Community Health Services, be used solely for the provision of direct primary care services.

53. **Dental Provider Participation.** It is the intent of the Legislature that the department should increase the enrollment and participation in the Medicaid program of dental providers. The Commissioner of Health shall certify to the Governor and Legislative Budget Board by July 1, 2002, the amount of change in enrollment of and participation of dental providers in the Medicaid program. The certification must be accompanied by supporting documentation detailing the sources and methodologies which document an increase or other change in enrollment and participation of dental providers in the Medicaid program, as well as any other supporting materials specified by the Legislative Budget Board or the Governor.

54. **Regional Trauma Fund Assistance to the Department of Public Safety.** Out of the funds appropriated to the regional advisory councils through the Texas Department of Health in Strategy E.2.2, Emergency Health Care System, the regional advisory councils may provide training for commissioned personnel of the Department of Public Safety's Traffic Law Enforcement division. The training shall be provided to Department of Public Safety employees who are seeking certification as emergency medical technicians or paramedics and who are participating in the Department of Public Safety's pilot program.

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

	For the Years Ending August 31, 2002	August 31, 2003
Tobacco Settlement Receipts		
TDH Children's Immunizations A.3.2. Strategy: Immunizations	2,700,000	2,700,000
* **TDH Newborn Hearing Screening** B.1.2. Strategy: Texas Health Steps (EPSDT) Medical	620,000	620,000
TDH Debt Service - Health Care Facilities	678,000	3,678,150
Subtotal, Tobacco Settlement Receipts	$ 3,998,000	$ 6,998,150

*Strategy number corrected.

Permanent Funds		
Tobacco Education and Enforcement A.3.5. Strategy: Tobacco Education and Prevention	$ 9,000,000	$ 9,000,000
Children & Public Health A.3.6. Strategy: Children and Public Health E.2.4. Strategy: Public Health Services	4,500,000	4,500,000
EMS and Trauma Care E.2.2. Strategy: Emergency Health Care System	4,500,000	4,500,000
Rural Health Facility Capital E.2.7. Strategy: Rural Health Capital Improvements	2,250,000	2,250,000
Small Urban Hospitals E.2.6. Small Urban Hospital Capital Improvements	1,125,000	1,125,000
Subtotal, Permanent Funds	$ 21,375,000	$ 21,375,000
Total, Tobacco Settlement Receipts - TDH	$ 25,373,000	$ 28,373,150

56. **State Owned Multi-categorical Teaching Hospital Account.** Out of funds appropriated above in Strategy E.2.6, Indigent Health Reimbursement, from the State Owned Multi-categorical Teaching Hospital Account 5049 ("Account"), and contingent upon this amount being collected and deposited in the Account, the amount of $40,000,000 is allocated to the Department of Health for reimbursement to University of Texas Medical Branch at Galveston (UTMB) for the provision of health care services provided to indigent patients. All unexpended balances at the close of the fiscal year ending August 31, 2002, are hereby appropriated for the fiscal year beginning September 1, 2002.

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

57. **Medically Fragile Children.** Out of funds appropriated above, the Department of Health shall allocate $500,000 in General Revenue for fiscal year 2002 in Strategy D.1.3, Special Needs Children, for the purpose of continuing the pilot program for medically fragile children. Any unexpended balances as of August 31, 2002, of the amounts appropriated for the pilot program for medically fragile children, may be carried forward into fiscal year 2003.

58. **Appropriation of License Plate Revenue.** Out of funds appropriated above, the Department of Health shall allocate $500,000 from revenues deposited in the General Revenue–Dedicated Fund, Account 5032, Animal Friendly, under § 828.014 of the Health and

Safety Code for fiscal year 2002. Any unexpended balances as of August 31, 2002, from the amounts appropriated may be carried forward into fiscal year 2003.

59. **Community Health Initiative.** Out of funds appropriated above in Strategy D.2.1, Community Health Services, the Department of Health shall allocate $276,574 in General Revenue in fiscal year 2002 and $276,574 in General Revenue in fiscal year 2003 for a community health initiative mobile health unit program providing basic community health services such as immunizations and health screens in rural areas.

60. **Emergency Care Attendant (ECA) Training.** Out of funds appropriated above, the Department of Health shall allocate $261,065 in fiscal year 2002 and $251,065 in fiscal year 2003 for the purpose of providing training grants to local Emergency Medical Services instructors to conduct Emergency Care Attendant courses in or near communities lacking local training resources. The Department of Health shall contract with certified EMS instructors to conduct the 40-hour Emergency Care Attendant courses.

61. **Children with Special Health Care Needs Wraparound Services Allocation.** The Department of Health shall calculate and reserve from transfer pursuant to Rider 5 the amount of General Revenue and Federal Funds needed to provide services to children who are enrolled in the Children's Health Insurance Program and who also are eligible through the Children with Special Health Care Needs Program to receive additional wraparound services not provided in the CHIP benefits package.

62. **Health Care Pilot Program.** Out of funds appropriated above to the Department of Health, in Strategy 4.2.1, Community Health Services, an amount not to exceed $320,000 in fiscal year 2002 and an amount not to exceed $270,000 in fiscal year 2003 are allocated to fund a health care pilot program in low income metropolitan areas with a significant percentage of senior citizens.

63. **Trauma System Coordination.** In regions where the department determines access to a trauma system to be inadequate or insufficient, the Department of Health shall coordinate with the Department of Public Safety, the Department of Transportation, and the Regional Advisory Councils to develop and implement protocols and to otherwise enhance the delivery of trauma services in these areas.

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

65. **Transfer of Appropriations - Mycobacterial-Mycology Research Lab.** Funds appropriated to the Department of Health under Strategy E.2.3, TDH Hospitals, in accordance with the provisions of House Bill 1748 of the Seventy-sixth Legislature, have been reduced by $219,435 in General Revenue funds in fiscal year 2002 and by the same amount in fiscal year 2003, and transferred to the mycobacterial-mycology research laboratory formerly of the Texas Center for Infectious Disease to the University of Texas Health Science Center at San Antonio. This transfer shall be a permanent transfer and future appropriations for the mycobacterial-mycology research laboratory should be funded through the University of Texas Health Science Center at San Antonio.

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

67. **Telemedicine Pilot Projects.** Out of funds appropriated above to the Department of Health, $212,203 in fiscal year 2002 is allocated out of the Telecommunications Infrastructure Fund for

* telemedicine pilot projects. It is the intent of the Legislature that the Department of Health use $118,419 of these funds for transfer to and expenditure by *an urban county hospital district and $93,784 for transfer to and expenditure by* a rural not-for-profit health facility to expand systems of telemedicine services for low-income women. These funds shall be used in a manner consistent with the purposes specified in § 57.046(b) of the Utilities Code. No later than January 1, 2003, the department shall present to the Legislature a report describing the effectiveness of the pilot project.

CONTINGENCY APPROPRIATIONS

68. **Contingency Appropriation for House Joint Resolution 97 and House Bill 3064.** The appropriation of $33,900,000 in General Obligation Bond Proceeds made above in Strategy E.2.3, Healthcare Facilities, for fiscal year 2002, is contingent upon enactment of House Bill 3064 and enactment of House Joint Resolution 97. The funds shall be used for interim repairs and construction of the Texas Center for Infectious Disease and the South Texas Healthcare Center.

69. **WIC Approved Foods Brochures.** Contingent upon enactment of Senate Bill 945 or similar legislation, the Women, Infant, and Children's Program of the Department of Health's Bureau of Clinical and Nutrition Services is authorized to print the WIC Approved Foods brochures on laminated/plastic coated paper. This is intended to save the program from reprinting and redistributing cost associated with replacing damaged brochures.

*Italicized language was inadvertently omitted from enrolled Bill.

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: IMPROVE SERVICE DELIVERY		
The Health and Human Services Commission will improve the effectiveness and efficiency of the delivery of health and human services in Texas.		
Outcome (Results/Impact):		
Number of Interagency Administrative Support Initiatives	21	23
A.1.1. Strategy: SYSTEM INTEGRATION	$ 6,877,972	$ 6,789,528
Improve the operations of health and human service agencies in the functional areas of financial services, planning and evaluation, business system operations and coordination of service delivery.		
Output (Volume):		
Number of Guardianship Programs or Alternatives Developed or Enhanced as a Result of HHSC Technical Assistance	15	15
Number of Completed Program Evaluations	7	10
Number of Data Inquiries and/or Data Analysis Requests Completed	156	208
A.1.2. Strategy: TECHNOLOGY GRANTS	$ 10,000,000	$ 10,000,000
Total, Goal A: IMPROVE SERVICE DELIVERY	$ 16,877,972	$ 16,789,528
B. Goal: MEDICAID		
Improve the efficiency and effectiveness of the state Medicaid system. Develop a comprehensive approach to provide eligible Medicaid client health care services that are integrated with other direct service delivery programs.		
Outcome (Results/Impact):		
Percent of Medicaid Eligible Population Served	59%	59%
Emergency Room Visits Per 1,000 Average Member Months Per Year	955	1,050
Total Medicaid Recipient Months Per Month: Premiums	1,904,048	2,011,256
Total Average Monthly Cost: Premiums	205.27	217.92
Medicaid Subrogation Receipts, Amount Collected (All Funds)	26,260,975	25,813,043
Medicaid Subrogation Receipts as a Percentage of Total Medicaid Services Budget	.35%	.35%
B.1.1. Strategy: STATE MEDICAID OFFICE	$ 9,401,793	$ 9,391,931
Set the overall policy direction of the state Medicaid program, and manage interagency initiatives to maximize federal dollars and improve quality of services by serving as the single state Medicaid agency.		
Output (Volume):		
Number of Interagency Medicaid Projects	32	32
Average Number of Consolidated Waiver Clients Per Month	200	200
B.1.2. Strategy: INVESTIGATIONS AND ENFORCEMENT	$ 9,387,252	$ 9,387,252
Investigate fraud, waste and abuse in the provision of health and human services, enforce state law relating to the provision of those services, and provide utilization assessment and review of Medicaids and client assessment.		

Output (Volume):				
Number of Medicaid Providers Excluded from Medicaid Program		350		325
Efficiencies:				
Cost Per Completed Medicaid Provider Investigation		763.6		763.6
B.1.3. Strategy: MEDICAID RATE SETTING FUNCTION Administer Medicaid rate setting function.	$	1,667,378	$	1,667,378
Output (Volume):				
Number of Medicaid Rates Overseen by HHSC		40		40
Efficiencies:				
Percent of HCFA-approved Rate Methodology State Plan Amendments		97.5%		97.5%
B.2.1. Strategy: PREMIUMS: AGED & DISABLED Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Medicaid aged and Medicare-related persons and Medicaid disabled and blind persons.	$	1,640,508,527	$	1,545,047,907
B.2.2. Strategy: PREMIUMS: TANF ADULTS & CHILDREN Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Temporary Assistance for Needy Families (TANF) adults and TANF-related children.	$	742,067,849	$	680,417,686
B.2.3. Strategy: PREMIUMS: PREGNANT WOMEN Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to Medicaid eligible pregnant women.	$	641,395,588	$	550,462,685
B.2.4. Strategy: PREMIUMS: CHILDREN/MEDICALLY NEEDY Provide medically necessary health care in the most appropriate, accessible, and cost effective setting to newborn infants and Medicaid eligible children above the Temporary Assistance for Needy Families (TANF) income eligibility criteria, and medically needy persons.	$	1,935,616,375	$	1,924,040,089
B.2.5. Strategy: MEDICARE PAYMENTS Provide accessible premium-based health services to certain Title XVIII Medicare eligible recipients.	$	493,439,852	$	522,619,273
Output (Volume):				
Supplemental Medical Insurance Part B (SMIB) Recipient Months Per Month		391,363		401,147
Efficiencies:				
Average SMIB Premium Per Month		50		51.83
B.2.6. Strategy: EPSDT-COMPREHENSIVE CARE Provide diagnostic/treatment services for federally allowable Medicaid services for conditions identified through an EPSDT screen or other health care encounter but not covered or provided under the State Medicaid Plan.	$	190,461,981	$	210,095,071

B.2.7. Strategy: COST REIMBURSED SERVICES	$ 296,491,727	$ 252,629,668
Provide medically necessary health care to Medicaid eligible recipients for services not covered under the insured arrangement including: federally qualified health centers, undocumented aliens, school health and related services.		
Output (Volume):		
Number of Undocumented Aliens Served	6,791	7,470
Efficiencies:		
Average Undocumented Alien Cost Per Month	2,533.67	2,559.01
B.2.8. Strategy: VENDOR DRUG PROGRAM	$ 1,467,905,433	$ 1,658,926,958
Provide prescription medication to Medicaid eligible recipients as prescribed by their treating physician.		
Output (Volume):		
Annual Medicaid Prescriptions Incurred	27,784,015	28,727,517
Efficiencies:		
Average Cost Per Prescription	52.83	57.75
Total, Goal B: MEDICAID	$ 7,428,343,755	$ 7,364,685,898
C. Goal: INSURE CHILDREN		
Expand health insurance coverage for uninsured children in Texas.		
Outcome (Results/Impact):		
Percent of Medicaid-eligible but Previously Unenrolled Children Who Enroll in Medicaid as a Result of CHIP Application (Spillover Rate)	10%	10%
C.1.1. Strategy: CHIP PHASE I	$ 7,191,450	$ 329,226
Provide health care to certain uninsured Medicaid-eligible teens through CHIP Phase 1 Medicaid expansion (Operational responsibility for this strategy resides at the Texas Department of Health).		
Output (Volume):		
Average Children's Health Insurance Program Recipient Months Per Month: Managed Care	1,712	6
Average Children's Health Insurance Program Recipient Months Per Month: Non-managed Care	2,831	70
C.1.2. Strategy: SPILLOVER	$ 27,589,037	$ 39,267,646
Provide health insurance to uninsured Medicaid eligible but unenrolled children who initially apply for insurance through CHIP (Spillover) (Operational responsibility for this strategy resides at the Texas Department of Health).		
Output (Volume):		
Average Spillover Recipient Months Per Month	23,947	34,799
C.1.3. Strategy: CHIP PHASE II	$ 463,297,380	$ 478,945,246
Provide health care to uninsured children who apply for insurance through CHIP Phase II.		
Output (Volume):		
Average CHIP Phase II Children Recipient Months Per Month	467,952	492,799
Efficiencies:		
Average CHIP Phase II Children Benefit Costs Per Recipient Month	105.23	110.54

	C.1.4. Strategy: IMMIGRANT HEALTH INSURANCE	$ 4,189,621	$ 4,816,289
	Provide health care to certain uninsured, legal, immigrant children who apply for insurance through CHIP.		
	Output (Volume):		
	Average Legal Immigrant Children Recipient Months Per Month	8,126	8,557
	Efficiencies:		
	Average Legal Immigrant Benefit Costs Per Recipient Month	98.27	98.27
	C.1.5. Strategy: STATE EMPLOYEE CHILDREN INSURANCE	$ 0	$ 0
	Augment the state's contributions for dependent health insurance coverage for certain state employees (Operational responsibility for this strategy is shared with the Employees Retirement System).		
	Output (Volume):		
	Average Monthly Number of State Employees Whose Dependent Children Are Enrolled in the State Children's Insurance Program	5,922	6,218
*	**C.1.6. Strategy:** SCHOOL EMPLOYEE CHILDREN INSURANCE	$ 0	$ 4,200,000
	Augment the state's contributions for certain school employees (Operational responsibility for this strategy is shared with the Texas Education Agency).		
*	**Total, Goal C:** INSURE CHILDREN	$ 502,267,488	$ 527,558,407
	D. Goal: INDIRECT ADMINISTRATION		
	D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 4,652,727	$ 4,601,821
*	**Grand Total,** HEALTH AND HUMAN SERVICES COMMISSION	$ 7,952,141,942	$ 7,913,635,654
	Method of Financing:		
*	General Revenue Fund	$ 2,311,019	$ 6,511,019
	Premium Credits (State Share), estimated	14,200,000	14,200,000
	Vendor Drug Rebates–Medicaid, estimated	120,827,323	140,529,688
	GR Match for Medicaid	2,754,709,877	2,751,080,689
	Premium Co-Payments, Low Income Children, estimated	8,689,621	9,316,289
	Medicaid Subrogation Receipts (State Share), estimated	1,000,000	1,000,000
	Subtotal, General Revenue Fund	$ 2,901,737,840	$ 2,918,437,685
	Federal Funds	5,033,506,594	4,974,186,726
	Other Funds		
	Telecommunications Infrastructure Fund No. 345	10,798,750	10,899,400
	Appropriated Receipts	166,424	166,424
	Interagency Contracts	5,932,334	5,745,419
	Subtotal, Other Funds	$ 16,897,508	$ 16,811,243
*	**Total, Method of Financing**	$ 7,952,141,942	$ 7,913,635,654

*Modified per House Bill 3343.

Number of Full-Time-Equivalent Positions (FTE):	612.1	612.1
Schedule of Exempt Positions:		
Commissioner of Health and Human Services, Group 6	$189,000	$189,000

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Consolidated Waiver Database	305,000	110,000
(2) Information and Referral Project	341,000	341,000
(3) Compass 21 IV & V	300,000	0
(4) Workstation Replacement	368,872	269,180
(5) Health Care Financing LAN/WAN/VPN Upgrade	$ 584,200	$ 150,000
Total, Acquisition of Information Resource Technologies	$ 1,899,072	$ 870,180
Total, Capital Budget	$ 1,899,072	$ 870,180
Method of Financing (Capital Budget):		
Federal Funds	$ 899,036	$ 264,590
GR Match for Medicaid	506,536	209,590
Interagency Contracts	493,500	396,000
Total, Method of Financing	$ 1,899,072	$ 870,180

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

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

4. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Hospital Payment Advisory Committee, Medical Care Advisory Committee, Guardianship Advisory Board, and Information and Referral Project Advisory Committee.

5. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the General Revenue Funds appropriated above is $612,000 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.039. Any amounts above $612,000 are hereby appropriated to the Health and Human Services Commission in

amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.

6. **Support for Community Resource Coordination Groups (CRCG).** The Health and Human Services Commission (HHSC) is authorized to enter into interagency contracts with health and human services agencies, Texas Youth Commission, and the Texas Education Agency to support the operation of the state office of CRCG. Transfers will be from funds identified by the agencies, based on a formula developed by HHSC. Funds will be transferred at the beginning of each fiscal year. The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor of the amounts to be transferred, by agency, by September 1 of each fiscal year.

7. **Medicaid Fraud Detection.** The Health and Human Services Commission shall report quarterly to the Governor, Legislative Budget Board and the Comptroller of Public Accounts, the referral source of each investigation opened by HHSC, the status of each open case, including those referred to the Office of the Attorney General for further action, and the amounts recovered including monetary and civil penalties collected.

8. **Texas Demographic and Economic Data Survey.** It is the intent of the Legislature that the Health and Human Services Commission develop and administer a Texas Demographic and Economic Survey only in the event that the agency receives a foundation grant, federal grant or donated funds designated for that purpose.

9. **Texas Integrated Funding Initiative.** To continue efforts made related to the Texas Integrated Funding Initiative (TIFI) during the 1998–99 biennium, the following agencies shall each contribute from amounts appropriated elsewhere in this Act, $70,000 in fiscal year 2002 and $70,000 in fiscal year 2003 to the Health and Human Services Commission: Department of Mental Health and Mental Retardation, Department of Protective and Regulatory Services, Juvenile Probation Commission, Texas Education Agency, Commission on Drug and Alcohol Abuse, and Texas Youth Commission. Coordination and oversight of the TIFI shall be the responsibility of the Health and Human Services Commission. Up to six communities will be selected on a competitive basis to receive extensive training and technical assistance from the participating agencies.

10. **Federal Funds.** The Health and Human Services Commission may use the powers granted under Chapter 531 of the Government Code pertaining to Federal Funds management, to attempt to remediate any budget shortfall at the Texas Department of Health which may result from the delay in further implementation of Medicaid managed care.

11. **TIERS Oversight.** It is the intent of the Legislature in funding the Texas Integrated Eligibility Redesign System (TIERS) initiative at the Texas Department of Human Services, that the Health and Human Services Commission shall continue in its project oversight role to assure that client eligibility systems among other health and human services agencies and the Workforce Commission, are appropriately accommodated in the design and implementation of TIERS.

12. **Assessments to Health and Human Services Agencies.** The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor by September 1 of each fiscal year of the amount of funds to be transferred by interagency contract each agency under the authority of the Health and Human Services Commission in Government Code, Chapter 531. The Health and Human Services Commission shall provide quarterly updates to the Legislative Budget Board and the Governor.

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

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

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

    c. The Commission submits reports as follows to the Legislative Budget Board and the Governor by the end of each month: i) a report detailing the CHIP Phase II, CHIP Phase I, Medicaid Spillover, State Employee Health Insurance (SKIP), and Immigrant Health Insurance Program caseload figures and related expenditure amounts for the preceding month; ii) a report projecting the CHIP Phase II, CHIP Phase I, Medicaid Spillover, State Employee Health Insurance (SKIP), and Children's Immigrant Health Insurance Program anticipated caseloads for the 36 months period beginning with first month after the report is due; iii) other budget information as prescribed by the Legislative Budget Board and the Governor;

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

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

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

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

    a. Children's Health Insurance Program, $204,211,674 in fiscal year 2002 and $214,942,711 in fiscal year 2003. These amounts may be expended in Strategies in Goal C, Insure Children, and funding may be transferred to other agencies by interagency contract to operate these programs.

b. Medicaid Program: $61,300,000 in fiscal year 2002 and $61,300,000 in fiscal year 2003 for Medicaid Simplification and $60,000,000 in fiscal year 2002 and $60,000,000 in fiscal year 2003 for Medicaid provider rate increases. Funds appropriated for the Medicaid Program may be expended in strategies in Goal B.

15. **Maximize Federal Reimbursement for Delinking Activities.** It is the intent of the Legislature that the Health and Human Services Commission continue efforts pursuant to HCR 96, Seventy-sixth Regular Session, to maximize federal reimbursement for activities related to modifications of the Medicaid enrollment and eligibility processes as a result of federal welfare reform. Activities include, but are not limited to, temporarily outstationing Medicaid eligibility workers in hospitals and clinics, providing automation to outstationed staff, training provider staff and eligibility workers, implementing community-based outreach programs, and making automation changes relating to welfare reform.

16. **Department of Mental Health and Mental Retardation Feasibility Study.** In order to maximize the number of HCS/MRLA consumers served, the commission shall examine the cost effectiveness and feasibility of allowing HCS/MRLA consumers to receive services in a five-bed residence, at the current applicable per-consumer level of need rate.

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

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

    a. Finance and accounting;
    b. Budgeting;
    c. Contract and grant management;
    d. Administrative information systems; and
    e. Other elements determined appropriate by the State Auditor.

    An initial assessment report will be due on December 1, 2001, with additional reports due at the end of each state fiscal quarter. The commission shall provide a status report on the implementation of the business improvement plan to the Governor, Legislative Budget Board, Legislative Audit Committee, and the State Auditor. The reports shall be prepared in a format specified by the State Auditor and shall include specific information demonstrating the progress made by the department in achieving the goals and objectives of the plan.

    The State Auditor shall monitor the implementation of the plan. The commission may enter into a contract for consultant services from a management consultant to assist with the planning and development and evaluation of the elements described above.

19. **Medicaid Cost Containment Consultants.** The Health and Human Services Commission is hereby authorized to contract with a consultant or consultants during the 2002–03 biennium for the purpose of identifying cost-containment or savings options for the Medicaid program. Any reports submitted to the Health and Human Services Commission in connection with such a contract shall be submitted to the Legislative Budget Board and the Governor no later than seven days after receipt of the report by the commission.

20. **Women's Health Services Demonstration Project.** Contingent upon enactment of House Bill 1156 or similar legislation which provides for the establishment of a demonstration project to expand access to women's health services under Medicaid, the Health and Human Services Commission and any appropriate agency operating part of the state Medicaid program are hereby authorized to maximize federal funding by developing and establishing a demonstration project to expand access to women's health services under Medicaid. The Health and Human Services Commission shall request and actively pursue any necessary waivers or authorizations from the federal government to establish this demonstration project, and may delay implementing the demonstration project until necessary waivers or authorizations are granted.

21. **Mental Health Services Demonstration Project.** The Health and Human Services Commission and any appropriate agency operating part of the state Medicaid program are hereby authorized to maximize federal funding for mental health services by developing and establishing a demonstration project under Medicaid. It is the intent of the Legislature that the demonstration project offer limited benefit, nonentitlement Medicaid coverage to populations currently served with state and local funds. The Health and Human Services Commission shall request and actively pursue any necessary waivers or authorizations from the federal government to establish this demonstration project, and may delay implementing the demonstration project until necessary waivers or authorizations are granted.

22. **HIV/AIDS Services Demonstration Project.** The Health and Human Services Commission and any appropriate agency operating part of the state Medicaid program are hereby authorized to maximize federal funding for HIV/AIDS services by developing and establishing a demonstration project under Medicaid, using local funds as state match. It is the intent of the Legislature that the demonstration project cover under Medicaid those services currently provided to individuals with HIV/AIDS using local funds. The Health and Human Services Commission shall execute agreements with local funding entities prior to requesting and actively pursuing any necessary waivers or authorizations from the federal government to establish this demonstration project. The Health and Human Services Commission may delay implementing the demonstration project until necessary waivers or authorizations are granted.

23. **Medicaid Buy-in Pilot Project.** The Health and Human Services Commission is hereby authorized to develop and operate a budget-neutral project in at least three sites that allows individuals who meet the criteria described by the federal Ticket to Work and Work Incentives Improvement Act of 1999 to buy-in to the Medicaid program. The Health and Human Services Commission is authorized to request any necessary waivers or authorizations from the federal government to establish this pilot project, and may delay implementing the pilot project until necessary waivers or authorizations are granted.

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

25. **Custody Relinquishment Prevention Plan.** The Health and Human Services Commission is hereby authorized to develop and implement a plan to prevent custody relinquishment of youth with serious emotional disturbances. To the extent required to implement the plan, the Health and Human Services Commission is authorized to request any necessary waivers or authorizations from the federal government.

26. **Enhanced Federal Match for Border Programs.** In order to maximize the use of state funds to deliver services, the Health and Human Services Commissioner shall work with the federal government to develop enhanced federal matching rates for Medicaid and other federal programs operated on a matching basis along the Texas-Mexico border.

27. **Limitation: Medicaid Transfer Authority.** Notwithstanding any other provision of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for Medicaid Strategies in Goal B may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated; however, transfers may be made between Medicaid Strategies in Goal B in accordance with other provisions in this Act.

28. **Vendor Drug Rebates.** The Health and Human Services Commission is authorized to expend Medicaid rebate revenues pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990. Expenditures shall be made from rebates received in fiscal years 2002 and 2003. As rebates are generated, expenditures shall be made from rebate revenues as a first source and General Revenue as a second source to support the Vendor Drug Program. Once the Health and Human Services Commission has generated and expended the amounts identified in the method of finance as Vendor Drug Rebates above for each fiscal year, the commission is appropriated and authorized to expend additional amounts generated, subject to the following requirements:

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

    b. In the event General Revenue has been expended prior to the receipt of vendor drug rebates, the commission shall reimburse General Revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum monthly balance on hand from the vendor drug rebate program; and

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

29. **Medicaid and Other Reporting Requirements.**

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

        (1) the commission submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program and the State Children's Health Insurance Program (Title XXI of the Social Security Act, CHIP). This shall include, but is not limited to:

            i. expenditure data;
            ii. caseload data;
            iii. premium credit, rebates and refunds;
            iv. interest earnings;
            v. Vendor Drug rebates;
            vi. State plan amendments;
            vii. State plan waivers.

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

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

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

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

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

30. **Medicaid Subrogration Receipts (State Share).** For the purposes of this provision, Medicaid Subrogation Receipts are defined as third-party recoupments related to the Medicaid program. Amounts defined as Medicaid Subrogation Receipts are to be deposited into the General Revenue Fund, Object No. 3802. The commission is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recoupments and interest earnings received in fiscal year 2002 and fiscal year 2003. The use of the State's share of Medicaid Subrogation Receipts is limited to funding services for Medicaid clients. Medicaid Subrogation Receipts shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Subrogation Receipts (State Share), the commission is hereby appropriated and authorized to expend these state funds thereby made available, subject to the following requirements:

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

b. In the event General Revenue has been expended prior to the receipt of the state's share of Medicaid Subrogation Receipts, the commission shall reimburse General Revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess Medicaid Subrogation Receipts; and

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

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

31. **Transfers from 2003 to 2002.** In addition to the transfer authority provided elsewhere in this Act and in order to provide for unanticipated events that increase costs associated with providing Medicaid services for eligible clients, the Health and Human Services Commission is

authorized to transfer up to $150 million in General Revenue from funds appropriated in Medicaid strategies in the second year of the biennium to the first year of the biennium. Such transfers may only be made subject to the following:

a. Transfers under this section may be made only:

(1) if costs associated with providing Medicaid services exceed the funds appropriated for these services for fiscal year 2002.

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

b. Transfers may not exceed $150,000,000 in General Revenue.

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

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

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

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

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

35. **Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2002 to fiscal year 2003, and such funds are appropriated to the commission for the 2002–03 biennium.

36. **Risk Stabilization Reserve.** Upon termination of a contract with the fiscal agent or insurance carrier for purchased health insurance, the state's share of the unexpended balance in the risk stabilization reserve shall be deposited into the General Revenue Fund and such funds are not appropriated to the Health and Human Services Commission.

37. **Transfers for Funds Consolidation.** For the purpose of funds consolidation and Medicaid payments, Federal Funds may be transferred into the General Revenue Fund from Health and Human Services Commission Account 0273. The initial deposit of Medicaid Federal Funds shall be made into Account 0273, but no direct expenditures for the Medicaid program shall be made from this account.

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

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

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

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

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

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

43. **Disproportionate Share Hospital Eligibility.** A hospital that provides health care to indigents pursuant to an agreement or contract with a state agency or department, at no cost to the state, may be eligible as a disproportionate share hospital under Chapter 61, Health and Safety Code, and the Texas Medicaid program. Such hospital's total expenditures for indigent health care, according to such agreement or contract, may be credited as local revenue to be used to determine disproportionate share eligibility.

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

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

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

Agency Name	2002	2003
Texas Commission for the Blind	$ 285,241	$ 284,880
Interagency Council on Early Childhood Intervention	$ 6,139,958	$ 6,769,759
Texas Department of Health	$ 348,660,838	$ 366,068,611
*Health and Human Services Commission	$ 7,454,227,531	$ 7,396,026,198
*Department of Human Services	$ 3,653,188,430	$ 3,458,896,072

*Amounts have been revised to correct printing errors and to account for Governor vetoes and other appropriations in this Act.

*Department of Mental Health and Mental Retardation	$ 1,177,501,384	$ 1,178,341,503
*Department of Protective and Regulatory Services	$ 96,556,568	$ 96,726,197
*Article II, Special Provisions		$ (479,900,000)
*Article XII, Tobacco Settlement Receipts	$ 230,795,243	$ 225,790,236
*Total, Medical Assistance Program	$ 12,967,355,193	$ 12,249,003,456
*General Revenue, Medicaid Program	$ 5,181,304,317	$ 4,921,976,612
*Federal Funds, Medicaid Program	$ 7,786,050,876	$ 7,327,026,844
*Total, All Funds	$ 12,967,355,193	$ 12,249,003,456

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

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

    b. At least 30 days prior to adopting or implementing a program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in an increase in services delivered or clients served, including any increase in funds budgeted in the program.

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

48. **Medicaid Outpatient Hospital Services.** Out of funds appropriated above to the Health and Human Services Commission, $35 million in General Revenue and $52,807,525 in federal funds is allocated for the biennium for reimbursement increases in Outpatient Hospital services. It is the intent of the Legislature that the Health and Human Services Commission implement mechanisms to pass the fee increase directly to providers.

49. **Texas Information and Referral Network (211 Project).** The Texas Information and Referral Project shall be funded as follows:

    a. Funds appropriated above include $798,750 in fiscal year 2002 and $899,400 in fiscal year 2003 out of the Telecommunications Infrastructure Fund Number 345 for telecommunications services relating to the development of a 211 system. These funds shall be used for the purposes specified in Section 57.046(b) of the Utilities Code.

*Amounts have been revised to correct printing errors and to account for Governor vetoes and other appropriations in this Act.

b. The following section is informational and refers to appropriations in Article XII. Contingent upon the collection of outstanding and disputed claims relating to the state's Tobacco Settlement from tobacco companies, the Health and Human Services Commission is hereby appropriated an amount not to exceed $3,000,000 for the biennium from such funds. These amounts shall be used to partially support local operations of 211 projects, with a limit on state contributions of $450,000 for major metropolitan areas, $250,000 for metropolitan areas, $175,000 for mid-sized regions, and $100,000 for smaller regions. This funding is intended to be for the FY 2002-03 biennium only for start-up costs and is not intended to be continued in the future.

50. **Independent Living Transitional Medical Assistance.** Out of funds appropriated above in Goal B, Medicaid Services, $334,211 in fiscal year 2002 and $487,461 in fiscal year 2003 of General Revenue shall be used to allow foster care children to remain on Medicaid until age 21.

51. **Medicaid Asthma Management Pilot Program.** Out of funds appropriated above, the Department of Health shall cooperate with the Health and Human Services Commission in the development and implementation of a Medicaid asthma treatment program pilot as described in the Comptroller's e-Texas Report, Issue HHS 11. In coordination with the Health and Human Services Commission, the Department of Health shall report to the Legislature by December 1, 2002 on the cost-effectiveness of the program and the identification of other areas in which disease management-based treatment could be cost effective.

52. **Alternative Service Delivery Options for Court Committed Clients.** From funds appropriated, the Commissioner of Health and Human Services shall examine whether the Mexia State School and/or any other Intermediate Care Facility (ICF/MR) are appropriate settings for a consumer with mental retardation who has been referred through the criminal justice system.

a. In the event the commission finds the Mexia State School or other ICF/MR facility are appropriate settings, the commission shall seek an appropriate waiver from the federal government for Medicaid-eligible clients who reside at the Mexia State School or other ICF/MR facilities who have been referred from the criminal justice system.

b. In the event the commission finds the Mexia State School or other ICF/MR facilities are not appropriate settings for these clients, the commission shall develop a suitable alternative.

c. The commission shall make its conclusions known to the Governor and the Legislative Budget Board by February 1, 2002.

* 53. **Contingent Appropriation to the Health and Human Services Commission.** The appropriation to the Health and Human Services Commission under Strategies B.2.1, B.2.2, B.2.3, and B.2.4, has been reduced by $269,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid, and the Health and Human Services Commission is hereby authorized to defer its August 2003 premium payment to the National Heritage Insurance Company until September 2003 and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Health and Human Services Commission such amounts as may be necessary for payment of the August 2003 premium payment (estimated to be $269,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid) by August 31, 2003.

*See Veto Proclamation.

54. **Medicaid Provider Reimbursement.** From funds appropriated for Medicaid physician and hospital outpatient rate increases in the Medicaid program, the Health and Human Services Commission shall establish a provider reimbursement methodology that recognizes and rewards high volume Medicaid practitioners, especially those along the Texas-Mexico border and in medically underserved inner-city areas, where Medicaid funding is vital to the health care delivery system.

55. **Grants for Technology to Assist Disabled Persons.** Out of funds appropriated from the Telecommunications Infrastructure Fund (TIF) in Strategy A.1.2, Technology Grants, the Commissioner shall use $10,000,000 in fiscal year 2002 and $10,000,000 in fiscal year 2003 to provide grants to entities qualified to receive TIF funding. It is the intent of the Legislature that these grants are given for the purpose of researching, developing, or implementing innovative technologies and telecommunications infrastructure specifically for use by persons with disabilities. It is further the intent of the Legislature that the program developed with this funding be for the express purpose of assisting persons with disabilities in communicating.

    Any unexpended balances as of August 31, 2002, are hereby appropriated to the commission for the same purposes for 2003.

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

57. **Use of Additional Premium Credits.** For the purposes of this provision, premium credits are defined as: 1) refunds/rebates of previously paid premiums and interest earnings generated in relationship to the Risk Stabilization Reserve and other accounts listed below; and 2) managed care rebates as described below. Amounts defined as premium credits are to be deposited into the General Revenue Fund, Object No. 3639. The Health and Human Services Commission is authorized to receive and spend premium credits an interest earnings generated from fund balances with the Risk Stabilization Reserve, the Disbursement Account, and the STAR (Managed Care) Account, as defined in the contractual agreement with the fiscal agent and/or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA). The commission is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in fiscal years 2002 and 2003. The use of the credits, managed care rebates, and interest earnings is limited to funding services for Medicaid clients. Premium credits shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Premium Credits, the department is hereby appropriated and authorized to expend these state funds thereby made available, subject to the following requirements:

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

b. In the event General Revenue has been expended prior to the receipt of premium credits, the commission shall reimburse General Revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess premium credits; and

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

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

DEPARTMENT OF HUMAN SERVICES

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LONG-TERM CARE CONTINUUM To provide appropriate care based on individual needs ranging from in-home and community-based services for elderly people and people with disabilities who request assistance in maintaining their independence and increasing their quality of life, to institutional care for those who require that level of support, seeking to ensure health and safety and to maintain maximum independence for the client while providing the support required.		
Outcome (Results/Impact):		
Percent of Long-term Care Clients Served in Community Settings	66.47%	67.12%
Percent of Facilities Complying with Standards at Time of Inspection for Licensure and/or Medicare/Medicaid Certification	66%	66%
Percent of Complaints and Referrals Resulting in Disciplinary Action: Nursing Facility Administrators	85%	85%
A.1.1. Strategy: COMMUNITY CARE SERVICES Provide assistance with daily needs in homes and community settings which will enable elderly persons, persons with disabilities, and others who qualify for nursing facility care but can be served at home or in the community to maintain their independence and prevent institutionalization.	$ 1,040,299,309	$ 1,134,966,245
Output (Volume):		
Average Number of Clients Served Per Month: Medicaid Nonwaiver Community Care	88,868	92,903
Average Number of Clients Served Per Month: Medicaid Community-based Alternatives (CBA) Waiver	29,250	29,250
Average Number of Clients Served Per Month: Medicaid Related Conditions Waiver (CLASS)	1,836	1,836
Average Number of Clients Served Per Month: Deaf-blind Waiver	145	145

Average Number of Clients Served Per Month: Medically Dependent Children Program Waiver	1,071	1,071
Average Number of Clients Served Per Month: Non-Medicaid Community Care	16,947	17,093
Efficiencies:		
Average Monthly Cost Per Client Served: Medicaid Nonwaiver Community Care	527.33	556.81
Average Monthly Cost Per Client Served: Medicaid Community-based Alternatives (CBA) Waiver	1,176.93	1,234.46
Average Monthly Cost Per Client Served: Medicaid Related Conditions Waiver (CLASS)	2,435.53	2,497.3
Average Monthly Cost Per Client Served: Deaf-blind Medicaid Waiver	3,344.85	3,344.85
Average Monthly Cost Per Client Served: Medically Dependent Children's Program Waiver Services	1,370	1,370
Average Monthly Cost Per Client Served: Non-Medicaid Community Care	409.65	423.05
A.1.2. Strategy: IN-HOME & FAMILY SUPPORT	$ 8,996,250	$ 9,003,750
Provide cash subsidy and provide reimbursement for capital improvements, purchase of equipment, and other expenses to enable elderly persons and persons with disabilities to maintain their independence and prevent institutionalization.		
Output (Volume):		
Average Number of Clients Per Month Receiving In-home Family Support (IHFS) Cash Subsidy	4,639	4,643
A.1.3. Strategy: LTC ELIGIBILITY & SERVICE PLANNING	$ 105,680,066	$ 105,524,600
Provide timely and accurate eligibility determination for all individuals who apply and service planning and referral for all elderly persons and persons with disabilities who qualify for services.		
Output (Volume):		
Average Number of Persons Eligible Per Month: Nursing Facilities	65,728	65,613
Average Number of Persons Eligible Per Month: Community Care	138,989	143,962
Average Case Equivalents Per Long-term Care Medicaid Financial Eligibility Worker (Medical Assistance Only)	231	231
Efficiencies:		
Average Monthly Cost Per Case: Nursing Facilities	17.71	17.8
Average Monthly Cost Per Case: Community Care	28.94	28.89
A.1.4. Strategy: NURSING FACILITY & HOSPICE PAYMENTS	$ 2,128,162,956	$ 1,890,316,311
Provide payments which will promote quality care for clients with medical problems that require nursing facility or hospice care.		
Output (Volume):		
Average Number of Persons Receiving Medicaid-funded Nursing Facility Services Per Month	64,072	64,009
Average Number of Clients Receiving Copaid Medicaid/Medicare Nursing Facility Services Per Month	3,308	3,365
Average Number of Clients Receiving Hospice Services Per Month	2,447	2,610
Efficiencies:		
Net Nursing Facility Cost Per Medicaid Resident Per Month	2,262.14	2,460.71
Net Payment Per Client for Copaid Medicaid/Medicare Nursing Facility Services Per Month	1,383.27	1,409
Average Payment Per Client Per Month for Hospice	2,064.29	2,224.37

A.1.5. Strategy: INTEGRATED SERVICE DELIVERY SYSTEMS	$ 246,116,833	$ 242,739,829
Promote the development of integrated service delivery systems for aged and disabled clients.		
Output (Volume):		
Average Number of Aged and Medicare-eligible Recipients Per Month: STAR+PLUS Managed Care	26,938	27,659
Average Number of Disabled and Blind Recipients Per Month: STAR+PLUS Managed Care	21,418	21,837
Average Number of Recipients Per Month: Program for All Inclusive Care (PACE)	500	500
Efficiencies:		
Average Monthly Cost Per Aged and Medicare-eligible Recipient: STAR+PLUS Managed Care	170.08	184.64
Average Monthly Cost Per Disabled and Blind Recipient: STAR+PLUS Managed Care	671.38	682.48
Average Monthly Cost Per Recipient: Program for All Inclusive Care (PACE)	2,481.68	2,585.91
A.2.1. Strategy: LONG-TERM CARE FACILITY REGULATION	$ 40,184,988	$ 40,322,365
Provide licensing, certification and contract enrollment services, as well as financial monitoring and complaint investigation, to ensure that residential facilities comply with state and federal standards and that residents receive high-quality services and are protected from abuse.		
Output (Volume):		
Number of Inspections Completed Per Year	4,744	4,855
Number of Complaint and Incident Investigations Completed	16,214	16,566
Total Dollar Amount Collected from Fines	1,486,149	1,486,149
A.2.2. Strategy: LONG-TERM CARE CREDENTIALING	$ 1,362,934	$ 1,365,174
Provide credentialing, training and enforcement services to qualify individuals to provide services to long-term facility and home health care agency clients in compliance with applicable law and regulations.		
Output (Volume):		
Number of Licenses Issued or Renewed Per Year: Nursing Facility Administrators	1,322	939
A.2.3. Strategy: HOME/COMM SUPPORT SVCS LICENSING	$ 5,160,522	$ 5,160,522
Provide licensing, inspection, and certification services to home and community support services agencies for the protection of clients and to ensure compliance with state and federal standards.		
Output (Volume):		
Number of Home and Community Support Services Agency Licenses Issued	2,832	2,917
Number of Home and Community Support Services Agency Inspections Conducted	1,963	2,021
Number of Complaint Investigations Conducted: Home and Community Support Services Agencies	641	661
A.2.4. Strategy: LTC QUALITY OUTREACH	$ 5,000,000	$ 5,000,000
Total, Goal A: LONG-TERM CARE CONTINUUM	$ 3,580,963,858	$ 3,434,398,796

B. Goal: ENCOURAGE SELF-SUFFICIENCY		
To encourage self-sufficiency and long-term independence from public assistance by providing prompt, accurate, comprehensive, and effective support and preventive services to low-income families.		
Outcome (Results/Impact):		
Percent of Total Children in Poverty Receiving TANF	16%	16%
Unduplicated Number of TANF Adult Clients Per Year Who Have Exhausted Their Time-limited Benefits	5,335	5,814
Percent of Poverty Met by TANF-basic, Food Stamps and Medicaid Benefits/Family of Three	75%	76%
Percent of TANF Cases Required to Sign the TANF Responsibility Agreement Who Are in Compliance with All Requirements in the Responsibility Agreement	74%	74%
B.1.1. Strategy: TANF GRANTS (FORMERLY AFDC)	$ 283,358,066	$ 293,040,671
Provide Temporary Assistance for Needy Families (TANF) grants to eligible low-income persons in Texas.		
Output (Volume):		
Number of TANF - Basic Recipients Per Month	324,649	326,033
Number of TANF - UP Recipients Per Month	36,576	38,443
Average Number of TANF One-time Payments Per Month	115	120
Number of Children Receiving $60 Once a Year Grant	264,746	267,129
Efficiencies:		
Average Monthly Grant: TANF - Basic	56.63	58.15
Average Monthly Grant: TANF - UP	51.58	53.45
B.1.2. Strategy: CSS ELIGIBILITY & ISSUANCE SERVICES	$ 485,873,321	$ 358,003,668
Provide accurate and timely eligibility and issuance services for employment resources, financial assistance, medical benefits, and food stamps through the use of new technology, improved management practices, and implementation of sufficient staff levels.		
Output (Volume):		
Average Number of Families Determined Eligible Monthly - TANF	22,496	22,044
Average Number of Households Determined Eligible Monthly - Food Stamps	127,639	125,779
Average Number of Cases Determined Eligible Monthly - Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	96,438	99,812
Average Number of Recipients Per Month: Food Stamps	1,314,410	1,291,640
Average Number of Recipients Per Month: Children, Pregnant Women, and Medically Needy Program (CPW Medicaid)	790,491	806,952
Efficiencies:		
Average Standardized Case Equivalents Per CSS Worker Per Month	257	257
B.1.3. Strategy: NUTRITION ASSISTANCE	$ 177,799,745	$ 185,369,962
Increase the availability of federal nutrition assistance by providing reimbursement for nutritious meals, food distribution, and nutrition education.		
Output (Volume):		
Average Number of Children and Adults Served Meals through Child and Adult Care Food Program Per Day	199,005	202,985
B.1.4. Strategy: REFUGEE ASSISTANCE	$ 13,523,804	$ 13,517,317
Assist refugees and immigrants in attaining self-sufficiency through financial, medical, and social services, and disseminate information to interested individuals.		

Output (Volume):		
Average of Refugees Receiving Financial and Medical Assistance Per Month	1,800	1,800
Total, Goal B: ENCOURAGE SELF-SUFFICIENCY	$ 960,554,936	$ 849,931,618
C. Goal: FAMILY VIOLENCE SERVICES		
To protect adult victims and their children from family violence.		
Outcome (Results/Impact):		
Percent of Adult Victims of Family Violence Requesting Shelter Who Could Not Receive Shelter Due to Lack of Space	22%	22%
C.1.1. Strategy: FAMILY VIOLENCE SERVICES	$ 20,271,411	$ 20,271,411
Provide emergency shelter and support services to victims of family violence and their children, educate the public, and provide training and prevention support to institutions and agencies.		
Output (Volume):		
Number of Women and Children Served	89,431	89,431
Efficiencies:		
Department of Human Services Average Cost Per Person Receiving Emergency Shelter and/or Nonresident Services	226.68	226.68
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 26,025,831	$ 26,025,831
D.1.2. Strategy: INFORMATION RESOURCES	$ 54,001,152	$ 54,903,144
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 11,565,881	$ 11,565,881
D.1.4. Strategy: REGIONAL ADMINISTRATION	$ 11,703,995	$ 11,703,995
Total, Goal D: INDIRECT ADMINISTRATION	$ 103,296,859	$ 104,198,851
Grand Total, DEPARTMENT OF HUMAN SERVICES	$ 4,665,087,064	$ 4,408,800,676
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 38,708,647	$ 41,016,892
General Revenue Match for Medicaid	1,421,445,837	1,352,860,016
GR Match for Food Stamp Administration	96,096,776	95,577,962
GR MOE for Temporary Assistance for Needy Families	121,599,427	121,599,427
Earned Federal Funds, estimated	6,605,847	6,348,447
Subtotal, General Revenue Fund	$ 1,684,456,534	$ 1,617,402,744
General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	15,356,332	15,356,332
Home Health Services Account No. 5018	2,203,011	2,203,011
Subtotal, General Revenue Fund - Dedicated	$ 17,559,343	$ 17,559,343
Federal Funds	2,895,764,161	2,742,938,474

Other Funds		
Interagency Contracts	25,699,351	25,699,351
Appropriated Receipts	5,064,477	5,200,764
Bond Proceeds - Revenue Bonds	36,543,198	0
Subtotal, Other Funds	$ 67,307,026	$ 30,900,115
Total, Method of Financing	$ 4,665,087,064	$ 4,408,800,676
Number of Full-Time-Equivalent Positions (FTE)- State and Federal Funds	14,325.2	14,325.2
Number of Full-Time-Equivalent Positions (FTE)- Local and Federal Funds	697.0	697.0
Schedule of Exempt Positions:		
* Commissioner, Group 6	$150,000	$150,000
Supplemental Appropriations Made in Riders:	$ 17,839,196	$ 17,785,571

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Texas Integrated Eligibility Redesign System	$ 92,912,508	$ UB
(2) Texas Integrated Eligiblity Redesign System (TIERS): Bond Purchases	36,543,198	UB
Total, Acquisition of Information Resource Technologies	$ 129,455,706	$ 0
b. Acquisition of Capital Equipment and Items		
(1) Health and Human Services Consolidated Printshop Equipment	710,000	665,000
(2) Debt Service for Revenue Bonds	3,664,500	3,734,300 & UB
Total, Acquisition of Capital Equipment and Items	$ 4,374,500	$ 4,399,300
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) MLPP Payments 2000-2001 Purchases	2,982,649	3,872,252
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 2,982,649	$ 3,872,252
Total, Capital Budget	$ 136,812,855	$ 8,271,552

*Correction to appropriate Group.

Method of Financing (Capital Budget):

General Revenue Fund		
General Revenue Fund	$ 11,891,460	$ 521,685
GR Match for Medicaid	6,855,754	614,760
Earned Federal Funds	1,649,025	1,680,435
GR Match for Title XXI (CHIP)	1,147	1,890
GR Match for Food Stamp Administration	884,631	1,034,685
Subtotal, General Revenue Fund	$ 21,282,017	$ 3,853,455
Federal Funds	78,722,497	4,197,954
Other Funds		
Interagency Contracts	265,143	220,143
Bond Proceeds - Revenue Bonds	36,543,198	0
Subtotal, Other Funds	$ 36,808,341	$ 220,143
Total, Method of Financing	$ 136,812,855	$ 8,271,552

2. **Medical Assistance Payments.** General revenue funds appropriated herein above for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2002 to fiscal year 2003, and such funds are appropriated to the department for the 2002–03 biennium.

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

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

5. **Appropriation of Federal and Local Funds.** All funds received by the department from counties, cities, federal agencies and from any other local source and all balances from such sources as of August 31, 2001, are hereby appropriated for the biennium ending August 31, 2003, for the purpose of carrying out the provisions of this Act.

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

7. **Nursing Home Program Provisions.**

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

   b. Limitation of Per Day Cost of Alternate Care.

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

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

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

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

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

8. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the General Revenue Funds appropriated above is $2,660,000 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.039. Any amounts above $2,660,000 are hereby appropriated to the department in amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.

9. **Salaries of Probationary Employees.** It is provided that funds herein appropriated may be expended at rates established by the Department of Human Services for the salaries of employees who are newly hired, transferred or promoted into bona fide administrative or professional jobs and who are participating in a formalized training program in conjunction with their period of probationary service. At the successful conclusion of the probationary period these employees will be moved into regular classified positions.

10. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the Nursing Facility Administrator program in Strategy A.2.2, Long Term Care Credentialing and Home Health and Community Support Service Agencies program in Strategy A.1.3, Home and Community Support Services Licensing as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. Direct costs for the Nursing Facility Administrator program are estimated to be $376,248 for fiscal year 2002 and $376,618 for fiscal year 2003. Direct costs for the Home and Community Support Services Licensing program are estimated to be $1,925,224 for fiscal year 2002 and $1,925,224 for fiscal year 2003. "Other direct and indirect costs" for the Nursing Facility Administrator program are estimated to be $64,050 for fiscal year 2002 and $67,554 for fiscal year 2003. "Other direct and indirect costs" for the Home and Community Support Services Licensing program are estimated to be $652,868 for fiscal year 2002 and $690,848 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

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

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

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

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

    a. A.1.1. Community Care Services;
    b. A.1.3. LTC Eligibility & Service Planning;
    c. A.1.4. Nursing Facility & Hospice Payments;
    d. A.1.5. Integrated Service Delivery Systems;
    e. A.2.1. Long-Term Care Facility Regulation; and
    f. B.1.2. CSS Eligibility & Issuance Services

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

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

    a. A.1.1. Community Care Services;
    b. A.1.3. LTC Eligibility & Service Planning;
    c. A.1.4. Nursing Facility & Hospice Payments;
    d. A.1.5. Integrated Service Delivery Systems;
    e. A.2.1. Long-Term Care Facility Regulation; and
    f. B.1.2. CSS Eligibility & Issuance Services

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

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

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

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

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

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

        (2) the department submits to the Legislative Budget Board and the Office of the Governor at the close of each month a report detailing Medicaid, TANF, and other program caseload figures and related expenditure amounts for the preceding 36

months, and projecting the anticipated Medicaid and other program caseloads, related expenditure amounts, and full-time equivalent requirements for the 36 month period beginning with the first month after the report is due. The report shall be prepared in a format specified by the Legislative Budget Board.

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

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

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

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

17. **Reduction in Error Rates.** The Department for Human Services shall set progressive goals for improving error rates for eligibility determination of Food Stamp benefits, with a specific schedule for meeting those goals. The department shall submit a semi-annual status report beginning September 1, 2001, to the Governor and the Legislative Budget Board. The status report shall identify the progress made towards achieving those goals.

18. **Earned Federal Funds.**

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

b. The authority to receive and expend earned federal funds generated in the 2002–03 biennium in excess of those appropriated above is subject to the following limitations:

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

(2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration,

information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.

(3) The report shall include the information detailed in "2" and identify the impact on established performance targets, measures, and full-time equivalent positions. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2001, and receipts earned in fiscal years 2002 and 2003.

19. **Leases.** No funds under this Act may be expended for building space leased for the Department of Human Services which is totally vacated by the Department of Human Services.

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

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

22. **Assistance Registration and Eligibility Determination.** To the extent possible it is the intent of the Legislature that if the Texas Workforce Commission and/or the Department of Human Services require applicants for Temporary Assistance for Needy Families (TANF) assistance to register with the commission before the Department of Human Services can determine their eligibility for benefits, then the registration/orientation for TANF applicants shall be provided at the Department of Human Services offices where the eligibility determination of TANF recipients occurs.

23. **Revolving Account for the Consolidated Health and Human Services Print Shop.** It is the intent of the Legislature that the Department of Human Services establish and maintain the "Revolving Account for the Consolidated Health and Human Services Print Shop" to account for the expenditures, revenues, and balances of managing a full-cost recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Department of Human Services within its accounting system. Any unobligated balances as of August 31, 2002, are appropriated for the same use during fiscal year 2003. For the purpose of meeting cash flow needs, the Department of Human Services may temporarily transfer funds from Strategy D.1.3, Other Support Services, to the revolving account. Transfers must be returned by the end of the fiscal year.

24. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Human Services may transfer appropriations made for fiscal year 2003 to fiscal year 2002, subject to the following conditions provided by this section:

    a. Transfers under this section may be made only:

        (1) If costs associated with providing Long Term Care Medicaid services exceed the funds appropriated for these services for fiscal year 2002, or

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

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

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

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

25. **Enhanced Federal Funding for Administration of the Food Stamp Program.** Enhanced federal funding is defined as funding from the federal government which exceeds the normal federal contribution toward administrative costs. The authority to expend enhanced federal funding for administrative costs paid in a prior fiscal year is subject to the following conditions:

    a. Within 30 days of receiving notice of the state's eligibility for enhanced federal funding, as a result of exceeding national accuracy standards for determining client eligibility and benefit levels, the Department of Human Services shall notify the Legislative Budget Board and the Governor;

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

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

        (1) a portion of these funds, not to exceed $2.0 million of these funds for the biennium, shall be used by the Department of Human Services for the development and operation of a nutrition education and outreach program, or for activities that otherwise improve low-income consumers' access to basic nutrition and healthy foods;

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

(3) any additional amounts shall be used by the Department of Human Services, and matched with appropriate federal funds, in order to continue the Texas Integrated Eligibility Redesign System (TIERS) project. The Department of Human Services' capital budget authority shall be increased by the amount of funds received and expended for the TIERS project, subject to the department notifying the Legislative Budget Board and the Governor, in addition to notifications above, of the department's intent to utilize enhanced federal funds for capital purposes in the TIERS project.

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

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

f. The department shall prepare quarterly reports summarizing the department's progress in implementing the outreach program required in section (c) and file those reports with the standing committees of the Senate and House of Representatives having primary jurisdiction over health and human services.

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

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

27. **Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above for TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy B.1.1, TANF Grants, $121,599,427 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2002, and $121,599,427 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2003. None of the general revenue appropriated for TANF maintenance of effort in Strategy B.1.1, TANF Grants, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy B.1.2, Client Self Support Eligibility, subject to the following limitations:

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

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

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

28. **Community Alzheimer's Resources and Education (CARE) Program.** It is the intent of the Legislature that out of amounts appropriated above to Strategy A.1.3, LTC Eligibility and Service Planning, the Department of Human Services shall allocate $1,532,520 in fiscal year 2002 and $1,532,520 in fiscal year 2003 for the CARE program. The department shall encourage positive program outcomes, identify and address gaps in service, and improve service delivery. Not later than January 15, 2003, the department shall submit to the Legislature and the Governor a report which identifies progress made toward achieving these goals, identifies actual and planned pilot locations, and assesses the effectiveness of the CARE program in improving understanding of Alzheimer's disease and treatment.

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

30. **Survey of Nursing Facility Residents.** Out of funds appropriated above in Strategy A.1.4, Nursing Facility and Hospice Payments, the Department of Human Services is allocated

a. $360,000 in all funds, of which $180,000 is general revenue, in fiscal year 2002 to conduct a survey of nursing facility residents. The survey shall assess how satisfied residents are with their quality of care and quality of life. Not later than January 15, 2003, the department shall submit a written report on the survey to the Legislature, Governor, and Health and Human Services Commissioner;

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

31. **TANF Grants.** It is the intent of the Legislature that the department adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level and provide a one-time per year grant of $60 for each TANF child on August 1 of each year.

32. **Electronic Benefits Transfer (EBT) Program.** Funds appropriated above in Strategy B.1.2, CSS Eligibility and Issuance Services for 2002 for continuation of the Electronic Benefits Transfer (EBT) program, are contingent upon the approval of an updated action plan by the Legislative Budget Board and the Governor. The Department of Human Services shall submit an updated action plan by September 15, 2001. The plan must include an explanation of alternatives considered and identification of how the funds were spent for implementation and a projection of expenditures for the 2002–03 biennium.

33. **Full-time Equivalent Positions (FTE)–Local and Federal Funds.** Only local funds (appropriated receipts) and federal funds may be used to pay salaries, benefits or related costs for the Number of Full-time Equivalent Positions (FTE)–Local and Federal Funds, identified above. The following are included within this cap: 479 worker FTE positions in Strategy B.1.2, CSS Eligibility and Issuance Services, 93 FTE positions in Strategy B.1.3, Nutrition Assistance,

25 FTE positions in Strategy B.1.4, Refugee Assistance, and 100 FTE positions for CHIP, Phase II (or Medicaid Spillover) in Strategy B.1.2, CSS Eligibility and Issuance Services. The Department of Human Services may utilize the FTE authority contained in the Number of Full-time Equivalent Positions (FTE)–Local and Federal Funds only to the extent that local and federal funds are readily available. Under no circumstances may unfilled FTE positions from the Number of Full-time Equivalent Positions (FTE)–Local and Federal Funds be transferred to the Number of Full-time Equivalent Positions (FTE)–State and Federal Funds.

* 34. **Contingent Appropriation to Texas Department of Human Services for Payment of August 2003 Nursing Home Payment.** The appropriation shown above to the Texas Department of Human Services in this Act under Strategy A.1.4. has been reduced by $134,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid, and the Texas Department of Human Services is hereby authorized to defer its August 2003 nursing home payment until September 2003, and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Human Services such amounts as may be necessary for payment of the August 2003 nursing home payment (estimated to be $134,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid) by August 31, 2003.

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

	FY 2002	FY 2003
A.1.1 Community Care Services		
Medically Dependent Children's Program	$ 4,020,482	$ 3,272,507
Community Based Alternatives (CBA)	$ 15,000,000	$ 15,000,000
Community Living Assistance and Support Services (CLASS)	$ 17,682,310	$ 5,579,403
Deaf-Blind with Multiple Disabilities	$ 400,000	$ 400,000
Non-Medicaid Community Care	$ 7,000,000	$ 7,100,000
Community Care Acuity	$ 8,850,000	$ 8,850,000
Community Care Wages	$ 25,000,000	$ 25,000,000

36. **Contingency for the Receipt and Use of Civil Monetary Penalty Funds.** Contingent upon the enactment of legislation authorizing the deposit of revenues collected for Civil Monetary penalties into the Nursing Home Trust Fund, revenues collected for Civil Monetary Penalties as a result of long-term care facilities' non-compliance with pertinent state and federal Medicaid and federal Medicare rules, by the Seventy-seventh Legislature, revenues collected will be deposited into the Texas Department of Human Services Nursing Home Trust Fund to be used for the protection of the health or property of nursing home residents in facilities that the Texas

*See Veto Proclamation.

Department of Human Services or the Health Care Financing Administration (HCFA) finds noncompliant.

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

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

39. **Long-term Care Quality Outreach Program.** Out of funds appropriated above in Strategy A.2.4, Long-term Care Quality Outreach, $5.0 million in All Funds with $1,964,028 in General Revenue in fiscal year 2002 and $5.0 million in All Funds with $1,964,028 in General Revenue in fiscal year 2003, shall be used for furthering cooperation in the nursing facility survey process through promotion of best practices, provider education and training, and enhanced communication.

    a. In addition to the funds appropriated above, 82.0 full-time equivalent positions in fiscal year 2002 and 82.0 full-time equivalent positions in fiscal year 2003 shall be used for furthering cooperation in the nursing facility survey process through promotion of best practices, provider education and training, and enhanced communication.

    b. The Department of Human Services shall report on the progress of the transition and implementation of the program by January 1, 2002. This report should be submitted to Legislative Budget Board, Governor's Office, and appropriate legislative oversight committees.

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

41. **Motor Vehicle Allowance for Certain Recipients of TANF and Food Stamps.** For the purposes of determining whether a two-parent family is eligible for financial assistance under the Temporary Assistance for Needy Families (TANF) program, the Department of Human Services shall exclude up to $15,000 of the fair market value of one motor vehicle owned by the applicant family. This same motor vehicle allowance standard shall be used in determining whether a person meets the resource requirements for eligibility for food assistance under Chapter 33, Human Resources Code.

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

* 43. **Texas Integrated Eligibility Redesign Systems (TIERS).** Out of funds appropriated above in fiscal years 2002–03 in Strategy B.1.2, CSS Eligibility and Issuance Services, the Department of Human Services is allocated (for the biennium) $11,400,000 in General Revenue, $61,100,000 in Federal Funds, and $34,900,000 in Revenue Bond Proceeds, totaling *$107,400,000* in All Funds are contingent upon approval by the Legislative Budget Board and the Governor. The department shall make quarterly reports to the Legislative Budget Board and the Governor on the TIERS project as well as quarterly budgeted amounts, actual expenditures,

*Italicized amount changed to reflect total.

and the status of contracted services, as well as any other information requested. All contracts relating to this project shall include performance measures.

To fund the plan, the department may seek funding from the most cost-effective type of financing, including but not limited to cash acquisition, commercial financing, and financing provided by the Texas Public finance Authority. Following approval of the plan by the Legislative Budget Board and the Governor the Texas Public Finance Authority may issue revenue bonds or other debt obligations to finance the design, development, acquisition, and implementation of automated data processing systems to support the plan. As provided by Government Code, Chapter 1232, Vernon's Texas Civil Statutes, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the authority and debt issuing expenses, the principal amount of any issuance of debt for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or debt obligations, such amounts as may be necessary to fund the associated costs of issuances are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 2001. From any funds appropriated to the Department of Human Services for the purpose of implementing the project, an amount not to exceed $7,398,800 (amounts needed for debt service) for the biennium in all funds may be transferred to the Texas Public Finance Authority for lease payments to the Texas Public Finance Authority to pay debt service on the obligations issued by the Texas Public Finance Authority on behalf of the department for the above-mentioned project.

44. **Expenditure Limitations.** Out of the funds appropriated in this Act to the Department of Human Services for Strategy A.1.4, Nursing Facility & Hospice Payments, the General Revenue Amount of $20 million for each fiscal year of the biennium may only be expended to improve the quality of care in nursing homes. In determining improvement of quality of care, the Commissioner of Human Services shall utilize standards provided by Senate Bill 1839. If Senate Bill 1839 does not become law, or is enacted without providing quality of care standards, the Commissioner may only expend funds subject to this provision after promulgation of rules and standards to improve the quality of nursing facility care in accordance with those standards and upon distribution of such rules and standards to each member of the legislature.

45. **Contingency Appropriation for House Bill 154.** Contingent upon the enactment of House Bill 154, or similar legislation relating to the personal needs allowance for certain Medicaid recipients who are residents of long-term care facilities, by the Seventy-seventh Legislature, Regular Session, the Department of Human Services is hereby appropriated $7,100,000 in General Revenue and $10,739,196 in Federal Funds for fiscal year 2002 and $7,100,000 in General Revenue and $10,685,571 in Federal Funds for fiscal year 2003 for the purpose of implementing that Act. The Department of Human Services is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern. The Department of Human Services shall transfer the amounts necessary to implement the provisions of the bill to the Department of Mental Health and Mental Retardation. The amounts transferred to the Department of Mental Health and Mental Retardation are subject to approval prior to the transfer by the Legislative Budget Board. The Department of Human Services shall notify the Legislative Budget Board of the proposed transfer amounts by September 1 of each fiscal year.

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMMUNITY MENTAL HEALTH SERVICES Increase the abilities of persons with mental illness to lead successful lives in their communities.		
Outcome (Results/Impact):		
Percent of Adults Receiving MH Community Services Whose Functional Level Stabilized or Improved	93%	94%
Percent of Parents Who Are Satisfied with MH Services Delivered to Their Children	96%	96%
A.1.1. Strategy: MH ASSESSMENT AND SERVICE COORD	$ 80,422,751	$ 80,422,751
Assess individual needs and assure timely access to appropriate services for persons with mental illness.		
Output (Volume):		
Average Monthly Number of MH Consumers Receiving Assessment and Service Coordination	61,516	61,516
A.1.2. Strategy: ADULT MH COMMUNITY SERVICES	$ 190,762,744	$ 190,762,744
Provide services and supports in the community so persons with mental illness can live independently.		
Output (Volume):		
Average Monthly Number of Adult MH Consumers Receiving Assertive Community Treatment (ACT)	1,992	1,992
Average Monthly Number of MH Consumers Receiving Supported Housing Services	2,436	2,436
Efficiencies:		
Average Monthly Cost Per Adult MH Consumers Receiving Assertive Community Treatment (ACT)	747	747
Average Monthly Cost Per Adult MH Consumers Receiving Supported Housing	422	422
A.1.3. Strategy: CHILDREN'S MH COMMUNITY SERVICES	$ 32,499,104	$ 32,499,104
Provide services and supports for emotionally disturbed children and their families.		
Output (Volume):		
Average Monthly Number of Children Receiving MH Services In the Community	10,036	10,036
A.1.4. Strategy: MH IN-HOME AND FAMILY SUPPORT	$ 5,536,937	$ 5,536,937
Provide grants to adults and children with mental illness so they may live independently or at home with their families.		
A.1.5. Strategy: MH COMMUNITY HOSPITALS	$ 38,533,235	$ 38,533,235
Provide inpatient and outpatient treatment, crisis assessment, and medical services to adults and children served in community hospitals.		
Output (Volume):		
Average Daily Number of Occupied Community Hospital Beds	235	233
Efficiencies:		
Average Daily Cost Per Occupied Community Hospital Bed	293.42	293.42
A.1.6. Strategy: NORTHSTAR BEHAVIORAL HEALTH WAIVER	$ 81,272,916	$ 81,272,916
Provide mental health and substance abuse inpatient and outpatient services using a managed care model for adults and children.		
Total, Goal A: COMMUNITY MENTAL HEALTH SERVICES	$ 429,027,687	$ 429,027,687

B. Goal: MH SPECIALIZED SERVICES		
Promote the recovery and abilities of persons with mental illness who require specialized treatment not available in community settings.		
Outcome (Results/Impact):		
Percent of Customers Receiving MH Campus Services Whose Functional Level Stabilized or Improved	97%	97%
B.1.1. Strategy: MH STATE HOSPITAL SERVICES	$ 207,061,388	$ 205,732,172
Provide specialized assessment, treatment and medical services in state mental health facility programs.		
Output (Volume):		
Average Daily Census of State Mental Health Facilities	2,235	2,237
Average Monthly Number of State Mental Health Facility Consumers Receiving New Generation Medication Services	2,035	2,035
Efficiencies:		
Average Daily Facility Cost Per Occupied State Mental Health Facility Bed	288	286
Average Monthly Cost of New Generation Medications Per State Mental Health Facility Consumer Receiving New Generation Medication Services	282	282
B.1.2. Strategy: MH STATE HOSPITAL ADMINISTRATION	$ 32,240,137	$ 32,240,137
Administer and support specialized assessment, treatment, and medical services in state mental health facility programs.		
Total, Goal B: MH SPECIALIZED SERVICES	$ 239,301,525	$ 237,972,309
C. Goal: COMMUNITY MR SERVICES		
Support the abilities of persons with mental retardation to lead successful lives in their communities.		
Outcome (Results/Impact):		
Number of Consumers with MR Discharged from Campus to Community	50	50
Percent of Available HCS Placements Filled	93%	93%
C.1.1. Strategy: MR ASSESSMENT AND SERVICE COORD	$ 59,230,325	$ 59,230,325
Assess individual needs and assure timely access to appropriate services for persons with mental retardation.		
Output (Volume):		
Average Monthly Number of Consumers with MR Receiving Assessment and Service Coordination	15,830	15,830
Efficiencies:		
Average Monthly Cost Per Consumer with MR Receiving Assessment and Service Coordination	323.09	323.09
C.1.2. Strategy: MR COMMUNITY SERVICES	$ 114,063,975	$ 114,063,975
Provide services and supports for persons with mental retardation who reside in the community.		
Output (Volume):		
Average Monthly Number of Consumers with MR Receiving Community Services	5,987	5,996
C.1.3. Strategy: MR IN-HOME AND FAMILY SUPPORT	$ 12,707,989	$ 12,707,989
Provide grants to adults and children with mental retardation so they may live independently or at home with their families.		
Output (Volume):		
Number of Consumers with MR Receiving In-Home and Family Support Per Year	5,150	5,150

C.1.4. Strategy: MR HOME & COMMUNITY-BASED SERVICES	$ 282,056,189	$ 282,053,272
Provide residential services and supports for persons with mental retardation through Medicaid waiver programs for home and community-based services.		
Output (Volume):		
Average Monthly Number of Consumers Served in the Home and Community-Based Services (HCS) Waiver Program	6,667	6,667
C.1.5. Strategy: MR INTERMEDIATE CARE FACILITIES	$ 360,879,092	$ 360,879,092
Provide residential services and supports for persons with mental retardation living in intermediate care facilities (ICFs/MR).		
Output (Volume):		
Average Number of Persons in ICF/MR Medicaid Beds Per Month, Total	7,644	7,644
Efficiencies:		
Monthly Cost Per ICF/MR Medicaid Eligible Consumer, Total	3,929	3,929
C.1.6. Strategy: MR COMMUNITY RESIDENTIAL SERVICES	$ 12,070,759	$ 12,070,759
Provide non-Medicaid residential services and supports for persons with mental retardation living in the community.		
Output (Volume):		
Average Monthly Number of Non-Medicaid Consumers with MR Receiving Community Residential Services	250	250
Efficiencies:		
Average Monthly Cost Per Non-Medicaid Consumer with MR Receiving Community Residential Services	3,979.91	3,979.91
Total, Goal C: COMMUNITY MR SERVICES	$ 841,008,329	$ 841,005,412
D. Goal: MR SPECIALIZED SERVICES		
Promote the well being and abilities of persons with mental retardation who require the most intensive, specialized long-term care.		
Outcome (Results/Impact):		
Average Number of Days MR Campus Residents Recommended for Community Placement Wait for Placement	180	180
D.1.1. Strategy: MR STATE SCHOOL SERVICES	$ 285,387,092	$ 283,718,841
Provide specialized assessment, treatment, support, and medical services in state school and state center programs for persons with mental retardation.		
Output (Volume):		
Average Monthly Number of MR Campus Residents	5,425	5,425
Average Monthly Number of Consumers with MR Waiting for Admission to Any State School Campus	8	8
Average Monthly Number of Consumers with MR Waiting for Admission to a Specific State School Campus	2	2
Efficiencies:		
Average Monthly Cost Per MR Campus Resident	4,786	4,750
Average Number of Days Consumers with MR Seeking Admission to Any State School Campus Wait for Admission	90	90
Average Number of Days Consumers with MR Seeking Admission to a Specific State School Campus Wait for Admission	90	90

D.1.2. Strategy: MR STATE SCHOOL ADMINISTRATION Administer and support specialized assessment, treatment, support, and medical services in state school and state center programs.	$ 33,752,530	$ 33,752,530
Total, Goal D: MR SPECIALIZED SERVICES	$ 319,139,622	$ 317,471,371
E. Goal: IMPROVE SYSTEM QUALITY Efficiently manage and improve the assets and infrastructure of state facilities.		
E.1.1. Strategy: CAPITAL CONSTRUCTION Construct and renovate facilities for the delivery of care in state facilities.	$ 3,291,713	$ 2,362,680
F. Goal: INDIRECT ADMINISTRATION Assure the efficiency, quality, and effective administration of services provided to persons with mental illness and mental retardation.		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 19,814,158	$ 19,814,159
F.1.2. Strategy: INFORMATION RESOURCES	$ 6,598,441	$ 6,598,441
F.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,937,486	$ 1,937,486
Total, Goal F: INDIRECT ADMINISTRATION	$ 28,350,085	$ 28,350,086
Grand Total, DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION	$ 1,860,118,961	$ 1,856,189,545
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 404,141,168	$ 402,683,354
GR Match for Medicaid	257,940,267	258,758,678
GR for Mental Health Block Grant	231,819,691	231,819,691
GR Certified as Match for Medicaid	185,226,931	181,630,415
Subtotal, General Revenue Fund	$ 1,079,128,057	$ 1,074,892,138
Federal Funds	726,040,827	726,468,989
Other Funds		
Interagency Contracts	17,026,442	17,026,442
MHMR Collections for Patient Support and Maintenance	18,076,845	18,010,925
MHMR Appropriated Receipts	9,561,509	9,552,611
MHMR Medicare Receipts	10,285,281	10,238,440
Subtotal, Other Funds	$ 54,950,077	$ 54,828,418
Total, Method of Financing	$ 1,860,118,961	$ 1,856,189,545
Number of Full-Time-Equivalent Positions (FTE):	19,717.7	19,717.7
Schedule of Exempt Positions:		
Commissioner, Group 6	$140,000	$140,000
Supplemental Appropriations Made in Riders:	$ 8,704,160	$ 8,704,160

LIMITATIONS ON EXPENDITURES

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

	2002	2003
Out of the General Revenue Fund:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Life Safety Code and Other Critical Repairs	$ 3,291,713	$ 2,362,680
b. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments to Master Lease Program	$ 6,158,854	$ 2,244,035
Total, Capital Budget	$ 9,450,567	$ 4,606,715

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

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

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

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

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

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

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

respective report and any other supporting materials as specified by the Legislative Budget Board and the Governor.

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

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

4. **Appropriation for State School and State Hospital Services.**

a. Out of the funds appropriated above for Strategy B.1.1, MH State Hospital Services, $4,840,793 in General Revenue Funds for fiscal year 2002 and $4,962,983 in General Revenue Funds for fiscal year 2003, and for Strategy D.1.1, MR State School Services, $35,798,718 in General Revenue Funds for fiscal year 2002 and $36,367,378 in General Revenue Funds for fiscal year 2003, may only be spent if the Department of Mental Health and Mental Retardation ("the department") complies with the following limitations and conditions:

(1) Each month, the department must transfer the full monthly amount of estimated Federal and Other Funds for employee benefit and bond debt service payments for state hospitals and state schools, as determined by the Comptroller of Public Accounts, to the state agencies that are responsible for making these employee benefit and bond debt service payments.

(2) Each month, the Comptroller of Public Accounts may release up to one-twelfth of the total annual amount of the General Revenue Funds appropriated above for each fiscal year that are subject to the limitations and conditions set forth by this section upon receiving documentation that the department has transferred the full monthly amount of estimated Federal and Other Funds for employee benefit and bond debt service payments for Goal B, MH Specialized Services (state hospitals) and Goal D, MR Specialized Services (state schools) for the month (as required to do so in subsection (a)(1)).

(3) The department may not expend General Revenue Funds appropriated above that are subject to the limitations and conditions set forth by this section in excess of the total monthly amount of estimated Federal and Other Funds transferred under subsection (a)(1).

b. The department shall report monthly to the Legislative Budget Board and the Governor on:

(1) The full amount of funds, by method-of-finance, transferred to other state agencies for payment of employee benefits and bond debt service associated with each strategy in its bill pattern, and

(2) The total amount of General Revenue Funds expended from Strategy B.1.1, MH State Hospital Services, and Strategy D.1.1, MR State School Services, that are subject to the limitations and conditions set forth by this section.

The form and content of the monthly report may be prescribed by the Legislative Budget Board and the Governor.

c. It is the intent of the Legislature that the department continue working with the Legislative Budget Board and the Comptroller of Public Accounts to identify and resolve issues relating to proportionality in the payment of employee benefits and bond debt service by the department.

REVENUE CLASSIFICATION

5. **MHMR Collections for Patient Support and Maintenance.**

a. **Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Collections for Patient Support and Maintenance are defined as reimbursements received for health and other services provided to individuals in state hospitals, state operated community services, state operated intermediate care facilities for the mentally retarded (ICF-MR) and state schools from third party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the US Civil Service, Federal Railroad, State, Social Security, Teacher and Veteran's Administration.

b. **Classification for depositing revenues and reporting of expenditures.** For the purpose of revenue classification for depositing and expending certain collections related to the support and maintenance of patients, the following Revenue Object Codes as defined by the Comptroller of Public Accounts shall be used for recording collections, reporting expenditures, and requesting legislative appropriations by the Department of Mental Health and Mental Retardation:

(1) Revenue Object Codes 3595, 3606, 3614, and 3618 as defined by the Comptroller of Public Accounts shall be used to record collections and deposits from the above defined sources into the General Revenue Fund
   i. 3595: Medical Assistance Cost Recovery
   ii. 3606: Support and Maintenance of Patients
   iii. 3614: Counseling, Care and Treatment of Outpatients
   iv. 3618: Welfare/MHMR Service Fees (Child Support)

(2) Automated Budget and Evaluation System of Texas (ABEST) Method of Financing (MOF) Code 8031- MHMR Collections for Patient Support and Maintenance shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3595, 3606, 3614, and 3618.

c. **Appropriation authority and accounting for expenditures of MHMR Collections for Patient Support and Maintenance.** The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Collections for Patient Support and Maintenance as a first source, and general revenue shall be used as a second source, to support the state hospitals, state operated intermediate care facilities for the mentally retarded (ICF-MR), and state operated community services. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Collections for Patient Support and Maintenance, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Collections for Patient Support and Maintenance is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose;

(2) In the event general revenue has been expended prior to the receipt of MHMR Collections for Patient Support and Maintenance, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Collections for Patient Support and Maintenance; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts, and Governor on MHMR Collections for Patient Support and Maintenance, expenditures and anticipated revenues and balances.

d. **Responsibility for proportionate share of indirect costs and benefits.** The Department of Mental Health and Mental Retardation shall ensure that MHMR Collections for Patient Support and Maintenance fund their proportionate share of benefits and statewide allocated indirect costs as required and directed in Article IX of this act.

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

6. **Funds for the Medicaid Program.** For the purposes of this section and appropriation authority for the Medicaid Program responsibilities of the Department of Mental Health and Mental Retardation (TDMHMR), the following subsections provide governance relating to appropriate use, classification and expenditure of funds.

a. **General Revenue Match for Medicaid.** ABEST Method of Financing Code 758 - GR Match for Medicaid shall be used to report general revenue expenditures and request general revenue appropriations for the state's share of Medicaid payments for the following Medicaid services:

(1) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are privately operated through contractual arrangements between private providers and the department;

(2) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are operated by the State/department;

(3) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided by state-operated community centers;

(4) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;

(5) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O)authorized by a 1915(c) federal waiver and provided by state-operated community centers;

(6) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the department;

(7) Mental Retardation Local Authority (MRLA) waiver services and case management services provided by local Mental Retardation Authorities;

(8) MHMR Medicaid services provided through contracts with Behavioral Health Organizations as a component of the NorthSTAR Project; and

(9) Salaries and operating costs related to direct program administration and indirect administration of the department.

b. **General Revenue Certified as Match for Medicaid**. The Department of Mental Health and Mental Retardation shall use ABEST Method of Financing code 8032 - General Revenue Certified Match for Medicaid to identify general revenue funds requested and reported as expended for the purpose of drawing federal funds and to document that State funds have been spent for Medicaid services and administrative expenditures for the following services:

(1) Intermediate care facilities for the mentally retarded that are operated by the State and known as "state schools";

(2) Services delivered in hospitals operated by the Department of Mental Health and Mental Retardation including inpatient services for clients under the age of 21 and services that qualify under the federally approved Institutions for Mental Diseases (IMD) option for clients over the age of 65;

(3) Rehabilitation Services as approved in the State Medicaid Plan which are provided by Mental Health Authorities and Mental Retardation Authorities;

(4) Service Coordination Services as approved in the State Medicaid Plan provided by Mental Health Authorities and Mental Retardation Authorities; and

(5) Medicaid Administrative Claims as approved in the State Medicaid Plan which are based on certain activities of Mental Health Authorities and Mental Retardation Authorities.

c. **Reporting requirements related to General Revenue Matching Funds for the Medicaid Program.** The Department of Mental Health and Mental Retardation shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the expenditures of General Revenue for Medicaid federal matching purposes by the method of financing codes identified above and the amounts of local, non-profit expenditures certified as state match for Medicaid federal funds by the department for services provided by Mental Health Authorities and Mental Retardation Authorities.

d. **Medicaid Federal Funds.** The Department of Mental Health and Mental Retardation shall report its expenditures and request legislative appropriations for federal Medicaid matching funds for client services, program administration and agency indirect administration. Automated Budgeting and Evaluation System of Texas (ABEST) Method Financing Code (MOF) 555 and Medicaid CFDA 93.778 shall be used for the following:

(1) Federal funds drawn from the US Health Care Financing Administration (HCFA) using general revenue funds classified as General Revenue Match for Medicaid (ABEST MOF Code 758) or General Revenue Certified as Match for Medicaid (ABEST MOF Code 8032);

(2) Federal funds drawn from HCFA using the department's certification of local, non-profit expenditures made the Mental Health Authorities and Mental Retardation Authorities on behalf of Medicaid-eligible individuals;

(3) Federal funds received from HCFA for services rendered to certain Medicaid-eligible individuals over the age of 65 by federally recognized Institutions for Mental Diseases (IMD Medicaid option) based on billings from hospitals operated by the Department of Mental Health and Mental Retardation to the National Heritage Insurance Company in its capacity as the State's fiscal agent for certain Medicaid payments; and

(4) Federal funds received from HCFA for general Medicaid health services including the Comprehensive Care Program for children based on billings from the facilities operated by the Department of Mental Health and Mental Retardation to the National Heritage Insurance Company in its capacity as the State's fiscal agent for certain Medicaid payments.

e. **Appropriation authority and accounting for Federal Funds for the Medicaid Program.** Amounts defined as Medicaid Federal Funds shall be used as a first source, and general revenue which was not used as matching funds shall not be used to fund Medicaid eligible services. In the event that these revenues should be greater than $698,507,686 in 2002 and $689,935,853 in 2003 as included above in Federal Funds, the department is hereby appropriated and authorized to expend these federal funds made available, subject to the following requirements:

(1) Amounts made available shall be expended prior to utilization of any general revenue made available for the same purpose;

(2) In the event general revenue has been expended prior to the receipt of Medicaid Federal Funds, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to not have an excess balance of Medicaid Federal Funds; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the amounts of Medicaid Federal Funds drawn and expended.

f. **Responsibility for proportionate share of indirect costs and benefits**. Nothing in this provision shall exempt the department from provisions of Article IX of this Act which apply equally to direct recoveries of benefits and indirect costs and to amounts recovered through an approved rate structure for services provided. Specifically, the department does not have appropriation authority for Medicaid federal funds claimed on behalf of services provided by other agencies, including:

(1) Health and retirement services for active and retired TDMHMR employees paid by the Employee Retirement System;

(2) Social Security payments, salary increases authorized in General Provisions, and Benefit Replacement Pay for TDMHMR employees paid by the Comptroller of Public Accounts;

(3) Worker's Compensation Payments made on behalf of TDMHMR employees by the State Office of Risk Management;

(4) Depreciation and debt service amounts paid of behalf of TDMHMR by the Texas Public Finance Authority; and

(5) Indirect cost allocation plans negotiated with HCFA for the purposes of the State-wide Cost Allocation Plan (SWCAP).

g. **Exclusive Appropriation Authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Medicaid Federal Fund receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

7. **MHMR Appropriated Receipts.**

a. **Definition.** For the purposes of this section and appropriation authority for the Department of Mental Health and Mental Retardation, MHMR Appropriated Receipts are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:

(1) 3719: Fees for Copies or Filing of Records
(2) 3738: Grants-Cities/Counties
(3) 3739: Grants-Other Political Subdivisions
(4) 3740: Grants/Donations-Other
(5) 3750: Sale of Furniture & Equipment
(6) 3752: Sale of Publication/Advertising (General)
(7) 3754: Other Surplus/Salvaged Property/Material Sales
(8) 3767: Supplies/Equipment/Services/Federal/Other (General)
(9) 3769: Forfeitures
(10) 3773: Insurance & Damages
(11) 3802: Reimbursements-Third Party
(12) 3806: Rental of Housing to State Employees

b. **Reporting.** ABEST Method of Financing Code 8033 - MHMR Appropriated Receipts shall be used to report expenditures and request legislative appropriations from the Revenue Object Codes identified above.

c. **Appropriation authority and accounting for MHMR Appropriated Receipts.** Amounts defined as MHMR Appropriated Receipts shall be deposited into the General Revenue Fund according to the identified Revenue Object Codes above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Appropriated Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Appropriated Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Appropriated Receipts is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide prior notification to the Legislative Budget Board and the Governor's Office of Budget and Planning;

(2) In the event general revenue has been expended prior to the receipt of MHMR Appropriated Receipts as defined above, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Appropriated Receipts; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Appropriated Receipts collections by Revenue Object Code, expenditures and anticipated revenues and balances.

d. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Appropriated Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

8. **Texas Capital Trust Fund Account No. 543.**

a. **Definition.** For the purposes of this section and appropriation authority, general revenue dedicated funds referred to as Texas Capital Trust Fund Account No. 543 (Chapter 2201, Government Code) are defined as revenues deposited by the Department of Mental Health and Mental Retardation into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:

(1) 3340: Land Easements
(2) 3341: Grazing Lease Rental
(3) 3344: Sand, Shell, Gravel and Timber Sales
(4) 3349: Land Sales
(5) 3746: Rental of Lands and Buildings
(6) 3747: Rental - Other
(7) 3851: Interest on State Deposits

b. **Appropriation authority and accounting for Texas Capital Trust Fund Account No. 543.** For the purpose of revenue classification for expending and depositing certain collections related to the Texas Capital Trust Fund Account No. 543, ABEST Method of Finance Code 543 shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3340, 3341, 3344, 3349, 3746, 3747, and 3851 by the department. Appropriations of the Texas Capital Trust Fund Account No. 543 are limited to the amounts identified above.

9. **MHMR Medicare Receipts.**

a. For the purposes of this section and appropriation authority, the Department of Mental Health and Mental Retardation shall use ABEST Method of Financing Code 8034 as an Other Fund to report expenditures and request legislative appropriations from Medicare funds deposited in Revenue Object Code 3634 that are collected by the department as payment for:

(1) hospital, physician and other services rendered to Medicare-eligible individuals in facilities operated by the department; and

(2) cost settlements for services rendered in state facilities operated by the department as authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

b. **Appropriation authority and accounting for MHMR Medicare Receipts.** Amounts defined as MHMR Medicare Receipts shall be deposited into the General Revenue Fund according to the identified Comptroller Revenue Object Code above. The Department of Mental Health and Mental Retardation is authorized to receive and expend MHMR Medicare Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MHMR Medicare Receipts, the department is hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MHMR Medicare Receipts is subject to the following requirements:

(1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide notification to the Legislative Budget Board and the Governor;

(2) In the event general revenue has been expended prior to the receipt of MHMR Medicare Receipts as defined above, the department shall reimburse general revenue through the cost allocation process authorized in Article IX of this Act. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MHMR Medicare Receipts; and

(3) The department shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MHMR Medicare Receipts collections by Comptroller Revenue Object Code, expenditures and anticipated revenues and balances.

c. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for MHMR Medicare Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

BUDGET POLICY AND APPROPRIATION MANAGEMENT

10. **State School Medicaid Revenues.** The Department of Mental Health and Mental Retardation shall report monthly to the Legislative Budget Board and the Governor on the distribution of ICF/MR state school revenues to other state agencies. This report shall be submitted no later than 25 days after the close of each month. The format and content of the report shall be prescribed by the Legislative Budget Board.

11. **Earned Federal Funds.**
    a. The Department of Mental Health and Mental Retardation shall submit a quarterly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior quarter. The report shall be prepared in a format approved by the Legislative Budget Board.

    b. The authority to receive and expend earned federal funds is subject to the following limitations:

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

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

        (3) The report shall include the information detailed in “b” and identify the impact on established performance targets, measures, and full-time equivalent positions.

12. **Community Hospital Medicaid Services.** The Harris County Psychiatric Center, the El Paso Psychiatric Center, Lubbock Community Hospital, and Galveston Community Hospital shall certify appropriated state funds to the Health and Human Services Commission or its designee for the state share of Medicaid reimbursement for the following services:

    a. Inpatient psychiatric services for children.

    b. Inpatient psychiatric services for age 65 and over (Institute for Mental Disease option).

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

13. **Home and Community-Based Services (HCS) Waiver Program.** The department shall ensure the cost-effectiveness of the HCS program by limiting the average annual HCS expenditure per client to 80 percent of the average annual per client ICF-MR expenditure. Expenditures for individual clients may exceed this cap as long as the overall average expenditure for HCS clients remains below 80 percent of the annual average. Furthermore, it is the intent of the Legislature that, in order to increase the number of clients served, the overall average monthly expenditure per client shall not exceed $3,511 per month in fiscal years 2002 and 2003. The Department of Mental Health and Mental Retardation and the Health and Human Services Commission shall report to the Legislative Budget Board and Governor by October 1of each year of the biennium, on the measures taken to decrease the average cost per person and to increase the number of clients served in the HCS program.

14. **Residential Services Funded by General Revenue.** The Department of Mental Health and Mental Retardation shall refinance, with Medicaid funding, residential services to Medicaid-eligible clients that are currently funded with general revenue. This refinancing effort shall include both public and private general revenue-funded programs. The department shall accomplish this refinancing through the use of the Home and Community-based Services (HCS) waiver program, other Medicaid waiver programs, or, if necessary, the Intermediate Care Facility for the Mentally Retarded program. The department shall submit a report by October 1 of each year of the biennium to the Legislative Budget Board and the Governor that documents the number of persons and residential sites converted to Medicaid funding. The format of this report shall be prescribed by the Legislative Budget Board.

15. **Cash Flow Contingency.** Contingent upon the receipt of federal funds allocated from the Medicaid Program, the department may temporarily utilize additional general revenue funds, pending receipt of federal reimbursement, in an amount not to exceed the anticipated reimbursement, in each year of the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the department to the Legislative Budget Board and the Governor.

16. **Enhanced Equity.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation shall distribute any funds appropriated for the purpose of expanding or improving services in Strategies A.1.2, Adult MH Community Services, and C.1.2, MR Community Services for community mental health and community mental retardation and for addressing the waiting list in Strategy C.1.4, MR Home and Community-based Services, by applying the allocation methodology recommended in the department's Equity Task Force Report until all local authorities are brought up to the state average in per capita funding. The Equity Task Force Report was adopted by the board and submitted to the Legislature in December of 2000. Allocations to local mental health and mental retardation authorities shall not

be reduced for the purpose of redistribution to other authorities to enhance equity. The department shall evaluate its progress at enhancing equity in funding and provide an impact analysis of any change to the previous year's funding, by local authority, to the Legislative Budget Board and the Governor. This report shall be submitted by January 15 of each year of the biennium.

17. **State School Funding.** It is the intent of the Legislature that the department implement a single funding methodology for state schools which funds all state schools equitably and at a level which is adequate to maintain compliance with applicable federal standards. The methodology should be based on the number of residents in each school and the needs of those residents.

18. **Report on Local Authorities.** To ensure that the Legislature and Governor are kept informed of the effects of delegating to a local mental health authority or local mental retardation authority (local authority) the responsibility of planning, coordination, and oversight of mental health and/or mental retardation services in that area, the department shall submit a report by January 15 of each year to the Legislative Budget Board and the Governor. This report shall describe both beneficial and detrimental client outcomes and shall be presented in a format to be prescribed by the Legislative Budget Board.

19. **Community Mental Health and Mental Retardation Centers.** If the department determines that a community mental health and mental retardation center is unable or unwilling to fulfill its contractual obligations to provide services or to exercise adequate control over expenditures and assets, the department may take necessary steps, including the appointment of a management team as authorized by Health and Safety Code, VTCA, §§ 534.038–534.040, to protect the funds appropriated under this Act and ensure the continued provision of services.

20. **Performance Contracts.** Funds in Strategy A.1.5, MH Community Hospitals, shall be allocated through performance contracts with local mental health authorities.

21. **Medicaid and Medicare Collections.** The Department of Mental Health and Mental Retardation shall maximize reimbursement of Medicare and Medicaid funding for all eligible individuals and for all expenditures at the state hospitals, state schools, and state centers.

22. **Use of Timber Receipts for Capital Projects.** The Department of Mental Health and Mental Retardation is hereby authorized to sell timber located on department land. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account 543.

23. **Rusk State Hospital Timber Sales.** The Department of Mental Health and Mental Retardation is authorized to sell timber located on department land at Rusk State Hospital. Revenues generated from the sale of timber for the biennium shall be deposited into the Texas Capital Trust Fund Account 543.

24. **Third Party Reimbursement for Community Mental Health and Mental Retardation Centers.** It is the intent of the Legislature that community mental health and mental retardation centers maximize third-party reimbursement from Medicaid and the Children's Health Insurance Program for all eligible individuals.

BUDGET POLICY AND APPROPRIATION MANAGEMENT, FACILITY–RELATED

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

	2002	2003
State Mental Hospitals	$ 258,832,463	$ 266,551,388
Harris County Psychiatric Center	14,327,747	14,755,030
	$ 273,160,210	$ 281,306,418

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

26. **State School Funding and Staffing Levels.** It is the intent of the legislature that funding for state schools shall be based on the number of residents in each state school at the beginning of the fiscal year and the needs of those residents. Staffing patterns at state schools shall not reflect a census decline until a campus has realized a decline in census.

27. **Barber and Cosmetology Services.** The Department of Mental Health and Mental Retardation may charge fees for barber and cosmetology services provided the fees charged are consistent with an individual's ability to pay. These fees are appropriated to the department to offset the cost of providing barber and cosmetology services. The department may also use patient benefit funds to offset the cost of these services for indigent clients.

28. **Surplus Property.** In order to conserve funds appropriated, surplus personal property may be transferred from one facility to another with or without reimbursement. The Department of Mental Health and Mental Retardation may transfer surplus personal property to community MHMR centers with or without reimbursement. Surplus personal property belonging to any facility may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by VTCA, Government Code, Chapter 2175.

29. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries and travel expenses of department engineers and architects and administrative expenses of construction projects (but shall not exceed $350,000 in a fiscal year that are paid out of G.O. Bonds); architect's and engineer's fees; and the actual travel expenses incurred by them or their representatives in making trips of inspection at the discretion of the department during construction, renovation, or repair of buildings and systems or the installation of fixed equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.

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

31. **Community Hospital Funding for El Paso Psychiatric Center.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation allocate $10,728,855 each year of the biennium from Strategy A.1.5, MH Community Hospitals to El Paso Psychiatric Center. The department shall ensure that all of these funds are utilized at El Paso Psychiatric Center for inpatient services, outpatient services or research at that physical location and at no other facility.

EXPENDITURES SPECIFICALLY AUTHORIZED

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

Mental Health Planning and Advisory Committee
Public Responsibility Committees
Citizen's Planning Advisory Committee
Medical Advisory Committee
Mental Retardation Planning and Advisory Committee
Treatment Methods Advisory Committee
MI/Deaf Advisory Committee
State Advisory Committee - Texas Children's Mental Health Plans
Quality Services Council
Quality Improvement Councils (NTE 1 per facility)
Ethics Committees (NTE 1 per facility)
Advisory Committee on Inpatient MH Services

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

33. **Sunset Contingency: Office For Prevention Of Developmental Disabilities.** The Department of Mental Health and Mental Retardation shall expend, from funds otherwise appropriated to the department by this Act, an amount not to exceed $120,000 each fiscal year for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities. These funds appropriated for fiscal year 2003 for the Office for Prevention of Developmental Disabilities are made contingent on the continuation of the Office for Prevention of Developmental Disabilities by the Legislature. In the event that the office is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of office operations.

34. **Pilot Project for Persons with Developmental Disabilities**. The Department of Mental Health and Mental Retardation (TDMHMR) is required to develop a pilot project in Midland County which will identify 16 individuals who have required long-term care settings in the past and/or are still in need of and eligible for placement in long-term Medicaid group homes. TDMHMR may expend, out of funds appropriated, $160,000 in fiscal year 2002 and $160,000 in fiscal year 2003 for the purposes of this pilot project. These 16 individuals, or their authorized representatives, will be provided the opportunity to direct their own level of care, such that their service plans would include only necessary and requested services. This pilot is intended to demonstrate that provision of only necessary and requested services in a manner prescribed by persons with developmental disabilities will produce less dependent, more productive citizens in a most cost-efficient model. TDMHMR shall provide a full cost/benefit analysis to demonstrate the effects of this model, as well as an instructional format and model for similar projects by July 1, 2003.

35. **Mexia State School Medicaid-decertified Beds.** It is the intent of the Legislature that all funds appropriated in Strategy D.1.1, MR State School Services, and D.1.2, MR State School Administration, to fund beds that have been decertified from Medicaid and related costs shall be distributed to Mexia State School.

36. **Community Hospital Funding for Galveston Community Hospital.** Out of funds appropriated above, the Department of Mental Health and Mental Retardation shall allocate $400,000 in General Revenue for fiscal year 2002 and $400,000 in General Revenue for fiscal year 2003 for the Galveston Community Hospital, specifically for the purpose of providing outpatient medication services.

ADDITIONAL APPROPRIATION AUTHORITY

37. **Appropriation of Local Funds.** All funds received by the department from counties, cities, and from any other local governmental entity and all balances from such sources as of August 31, 2001, are hereby appropriated for the biennium ending August 31, 2003, for the purpose of carrying out the provisions of this Act. (Estimated to be zero.)

38. **Medical Assistance Payments and Unexpended Balances.** General revenue funds appropriated hereinabove for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2002 to fiscal year 2003, and such funds are appropriated to the department for the 2002–03 biennium.

39. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from previous appropriations are hereby appropriated to the Texas Department of Mental Health and Mental Retardation (TDMHMR) for the same purposes, provided that the expenditure of such appropriated funds shall require the approval of the Board of Mental Health and Mental Retardation. At least 14 days prior to board approval, TDMHMR shall report on the appropriated fund sources, amounts and year of appropriation and on the proposed use of these funds to the Legislative Budget Board and the Governor.

40. **Unexpended Balances.** Except as otherwise provided, unexpended and unobligated balances, not to exceed $10 million, remaining from appropriations for the first year of the biennium to the Department of Mental Health and Mental Retardation are appropriated to the department for the purpose of complying with Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) standards and Intermediate Care Facilities for the Mentally Retarded (ICF-MR) standards dealing with residential, non-residential, and community based mental health and mental retardation services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the department is authorized by this act to retain for specific purposes in the second year of the biennium. The department shall notify the Legislative Budget Board and the Governor as to when the appropriation originated, why it is not needed, and how it will be used prior to budgeting and expending these balances.

41. **Copyright of Training Materials and Patent of Technologies Developed by the Department.** In addition to the amounts appropriated above, the Department of Mental Health and Mental Retardation is hereby authorized to collect the following fees: a) fees collected from the sale of written training materials, video tapes, audio tapes and in the form of electronic media, such materials having been developed in part or whole by the department; and b) licensing fees collected by the department in exchange for allowing individuals and companies to use any patented technology developed, in part or in whole, by the department. The department is authorized to license the use of any copyright-protected material, trademark, trade secrets,

and any patented technology. This does not include any mineral royalties. Fees collected in the sale of training materials described above may be in excess of the actual reproduction cost incurred by the department and shall be used to recoup the costs associated with developing the training materials. Fifty percent of the fees collected in licensing of any patented technology shall be devoted to further research and development of technologies reasonably believed to be of assistance to the department's priority population. The remaining 50 percent shall be deposited to the General Revenue Fund.

42. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Mental Health and Mental Retardation may transfer appropriations made for the fiscal year ending August 31, 2003, to the fiscal year ending August 31, 2002, subject to the following conditions provided by this section:

a. Transfers under this section may be made only:

(1) if appropriated receipts required to fund appropriations contained in this Act for fiscal year 2002 are less than those contained in the method of finance for the department for fiscal year 2002;

(2) for any emergency expenditure requirements, including expenditures necessitated to ensure the continuation of Medicaid client services to maintain fiscal year 2001 Medicaid caseloads.

b. Transfers may not exceed $15,000,000 in general revenue.

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

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

43. **Revolving Fund Services: Canteen Services and Sheltered Workshops.**

a. Canteen Services. Each of the facilities under control and management of the Department of Mental Health and Mental Retardation, except the Central Office, may establish, maintain and operate a canteen for the convenience of its patients. Any balances remaining in each canteen operation fund at the end of each fiscal year, plus all receipts deposited to its credit, are appropriated for all costs necessary for the operation of a canteen for the next fiscal year. Each of the facilities under control and management of the department that contracts with the Commission for the Blind for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code VTCA, § 551.004.

The department shall provide information on related revenues, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriation Requests, and Annual Financial Reports. The timetable, format and content for additional monthly reports related to Canteen operations shall be prescribed by the Legislative Budget Board.

There is hereby appropriated for the biennium beginning with the effective date of this Act revenues accruing to the Canteen Operation Fund in an amount estimated to be $240,506 from balances on hand on August 31, 2001. Any unobligated balances as of August 31, 2002, are appropriated for the same use during fiscal year 2003.

b. Sheltered Workshops. The Department of Mental Health and Mental Retardation may maintain a revolving fund for its management responsibilities related to sheltered workshops. The department shall provide information on related revenues, expenditures, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriations Requests, and Annual Financial Reports. The timetable format and content for additional monthly reports related to the Sheltered Workshop Revolving Fund shall be prescribed by the Legislative Budget Board.

There is hereby appropriated for the biennium beginning with the effective date of this Act revenues accruing to the Sheltered Workshop Revolving Fund in an amount estimated to be $1,800,299 from balances on hand remaining on August 31, 2001. Any unobligated balances as of August 31, 2002, are appropriated for the same use during fiscal year 2003.

HUMAN RESOURCE POLICY

44. **Employee Meals.** Notwithstanding any other provision in this Act, the Department of Mental Health and Mental Retardation may provide free meals to employees who are required to eat meals with clients.

45. **Maximum Security Salaries.** As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Department of Mental Health and Mental Retardation to pay employees working in designated Maximum Security Units or designated specialized Behavioral Management Units up to a two step increase over those salary rates provided by the General Provisions.

46. **Fire Prevention and Safety.** In instances in which regular employees of facilities located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the General Provisions on this Act relating to the position classifications and assigned salary ranges:

Fire Chief	$ 75 per month
Assistant Fire Chief	$ 65 per month
Fire Brigade Member	$ 50 per month

47. **Patient or Client Assistance.** Subject to the approval of rules and regulations of the governing board of the Department of Mental Health and Mental Retardation, patients or clients in any state facility who are assisting in the operation of the facility as part of their therapy, may receive compensation out of any funds available to the respective facilities.

48. **Workers' Compensation Payments.**
a. Contingent on the enactment of House Bill 2976, or similar legislation relating to the establishment of an allocation program for the funding of workers' compensation, the $15 million exemption provided by this rider does not take effect.

b. Notwithstanding other provisions in this Act, except Subsection (a) of this section, the Department of Mental Health and Mental Retardation shall have the first $15.0 million per year in workers' compensation payments paid in full from appropriations made for

Workers' Compensation Payments for the purpose of paying workers' compensation claims and liabilities. The Department of Mental Health and Mental Retardation shall transfer to the appropriation item in the Workers' Compensation Payments the amounts necessary to pay 100 percent of workers' compensation liabilities in excess of $15.0 million each year.

c. Pursuant to VTCA, Labor Code § 412.012(c) authorizing the State Office of Risk Management to allocate or apportion the appropriations made by this Act for workers' compensation payments, none of the funds appropriated by this Act to the Texas Department of Mental Health and Mental Retardation may be expended for the payment of workers' compensation benefit payments unless the total amount of benefit claims paid for the benefit of employees of the Department of Mental Health and Mental Retardation during a fiscal year exceeds $15.0 million, in which case the amount of the excess shall be paid out of appropriations made above to the Department of Mental Health and Mental Retardation and out of no other source.

49. **Language Interpreter Services.** In order to compensate employees for assuming the duty of providing interpretation services to consumers whose primary language is not English, facilities of the Texas Department of Mental Health and Mental Retardation, upon written authorization of the Commissioner or his/her designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.4 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when they are no longer needed by the facility. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase. This authorization also includes employees who provide interpretation services in American Sign Language.

50. **State-Owned Housing Authorized.** The Superintendent, Medical Director, Assistant Superintendent for Programs, and Director of Plant Maintenance at each facility are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

51. **Professional Trainees and Interns**. The Texas Department of Mental Health and Mental Retardation is authorized to compensate professional trainees or interns in recognized educational programs at any salary rate not to exceed the following amounts:

Psychiatrist interns	$3,412 per month
Physician Interns	$2,925 per month
Psychologist Trainees	$2,749 per month
Registered Nurse Trainees	$2,295 per month
Chaplain Interns	$2,161 per month
Physical, Occupational, or Registered Therapist Trainees	$2,036 per month
Social Worker Trainees	$1,921 per month
Medical Technologist Trainees	$1,921 per month
Licensed Vocational Nurse Trainees	$1,716 per month

52. **Appropriation: Targeted Salary Increase.** Notwithstanding other appropriations made by this Act related to salary increases, in addition to amounts appropriated above to the Department of Mental Health and Mental Retardation, there is hereby appropriated $5,162,496 in each year of the biennium out of the General Revenue Fund and $3,441,664 in each year of the biennium

out of Federal Funds for the purpose of making salary increases to the MHMR Service Series classifications.

The Department of Mental Health and Mental Retardation is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

OTHER PROVISIONS

53. **Children's Heart Institute.** It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation (TXMHMR) continue to fund the Children's Heart Institute in an amount not to exceed $150,000 for each year of the biennium for services to children with mental disabilities who also have congenital heart defects. A contract shall be developed between TXMHMR and the Children's Heart Institute to ensure that appropriate medical services will be provided and that relevant documentation on performance will be submitted to TXMHMR.

54. **Residential Providers.** It is the intent of the Legislature that individuals seeking residential services for a person with mental retardation have a choice of available providers. To ensure choice, the agency shall inform individuals seeking residential services of all the service options available, including large and small congregate living arrangements and waiver services.

55. **Placement Options.** An individual with mental retardation or an individual's legally authorized representative seeking residential services shall receive a clear explanation of programs and services for which the individual is determined to be eligible, including state schools, community ICFs-MR, 1915(c) waiver services or other services. The programs and services that are explained shall be documented in the individual's record and acknowledged in writing by the individual or the individual's legally authorized representative. If the chosen programs or services are not available, the individual or the individual's legally authorized representative shall be given assistance in gaining access to alternative services and the selected waiting lists.

    The department shall keep a central list of the number of openings available for each type of residential service. The department shall honor the program and services preferences of the person or the person's legally authorized representative to the maximum extent openings are available in a residential program or service for which the individual meets program criteria.

56. **New Generation Medications.** Funds expended on New Generation medications shall be spent in accordance with the practice guidelines developed through the Texas Medication Algorithm Project (TMAP) or a TDMHMR-approved variation or substitute of TMAP guidelines.

57. **Limit on Spending New Generation Medication Funds.**
    a. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation utilize funds appropriated for New Generation Medications for no other purpose than the provision of New Generation Medications. This limitation shall apply to funds appropriated for New Generation Medications in the following strategies: A.1.2, Adult MH Community Services; A.1.3, Children's MH Community Services; A.1.6, NorthSTAR Behavioral Health Waiver; B.1.1, MH State Hospital Services; and D.1.1, MR State School Services. This limitation is in addition to a similar limitation in this Act on the Department of Mental Health and Mental Retardation's use of Tobacco Settlement Receipts appropriated for New Generation Medications.

    b. Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that an authority using its New

Generation Medication funds for support services must meet its contracted performance target for persons served with New Generation Medications and that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority.

58. **Petty Cash Fund.** Each facility under the Department of Mental Health and Mental Retardation may establish a petty cash fund not to exceed $5,000 out of funds appropriated above. These funds shall be maintained in cash or at a local bank and shall be used by case managers or community services staff only for the purpose of making emergency purchases of medication, basic life support necessities, or other services without which would place clients served by said staff at risk of being placed in a more restrictive environment.

59. **Gulf Coast Regional Community Psychiatric Hospital.** Out of funds appropriated above in Strategy A.1.5, MH Community Hospitals, the Department of Mental Health and Mental Retardation shall allocate $824,900 each year of the biennium to the community hospital in Galveston for the purpose of bringing the allocation for that facility to the statewide average community hospital allocation.

60. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Department of Mental Health and Mental Retardation also receives appropriations in Article XII. Amounts appropriated in Article XII are for the following programs in the following amounts for each year of the biennium: MHMR New Generation Medications in Strategy A.1.2, Adult MH Community Services, $15,250,000; Community Centers rehabilitation services rate change and prescription drug costs in Strategy A.1.2, Adult MH Community Services, $14,400,000; Community Mental Health Children's Services in Strategy A.1.3, Children's MH Community Services $7,500,000; and MHMR Home and Community–Based Services Waiver in Strategy C.1.4, MR Home & Community–Based Services $17,300,000.

61. **Home and Community-Based Services Mid-Range Waiver**. The Department of Mental Health and Mental Retardation, in conjunction with the Health and Human Services Commission, is authorized to seek approval from the Health Care Financing Administration for a Home and Community-based Services 'mid-range' waiver to provide services and supports to persons with mental retardation who do not require out-of-home residential support. Services and supports in this waiver would be capped at $25,000 per year. The Legislative Budget Board and the Governor must approve implementation of this waiver prior to expenditure of any funds on waiver placements.

62. **Provision of Information about All Care Alternatives.** The Department of Mental Health and Mental Retardation shall comply with the requirements of § 533.038 of the Health and Safety Code by specifically providing to a person with mental retardation who is seeking residential services, or that person's legally authorized representative, information regarding the full continuum of care alternatives that are available, as well as information regarding spaces available in all the care alternatives.

63. **Financing Mental Health Services for Youth.** The Department of Mental Health and Mental Retardation shall work with the Texas Youth Commission and the Texas Juvenile Probation Commission to study current mechanisms of financing mental health services for youth in the juvenile justice system, including the use of Medicaid, CHIP, and General Revenue. The department shall submit a report to the Legislative Budget Board and the Governor by December 1, 2002, specifying strategies to maximize the availability of public funds to improve mental health services for youth in the juvenile justice system.

64. **Indigent Mental Health Services.** The department shall conduct a study to identify trends in the funding and utilization of mental health services for indigent citizens and to assess the actual and projected impact these trends may have on the availability of these services. The report shall include strategies for directing indigent mental health resources to individuals with the most significant needs. Additionally, the department will develop performance measures related to indigent mental health services to be included in its 2003–07 Strategic Plan. One copy each of the report shall be submitted to the Legislative Budget Board, the Governor, and each member of the Senate Finance and House Appropriations Committee by December 31, 2001.

65. **Cost Comparison Report.** The department shall develop a report for the Legislature analyzing state- and federally funded residential and nonresidential services for people with mental retardation and related conditions for which it is the Medicaid operating agency.

    a. The report shall include:

        (1) an analysis of the difference between the annual average cost to the state per person for individuals residing in state-operated and non-state operated Intermediate Care Facilities for individuals with Mental Retardation and Related Conditions (ICF-MR/RC).

        (2) an analysis of the difference between the average annual cost to the state per person participating in the HCS, the HCS-O, and the MRLA waivers.

    b. With respect to the cost to the state per person residing in an ICF-MR/RC facility, the department shall include all costs, such as SWICAP, DICAP, maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical and overhead costs. With respect to the cost to the state per person in state-operated ICF-MR/RC facilities, non-state operated ICF-MR/RC facilities and the HCS, HCS-O, and MRLA waivers, the department shall include all Medicaid costs that are not included in the reimbursement rate for those programs.

66. **Plan for Care of Dually Diagnosed Persons.** The Department of Mental Health and Mental Retardation (TDMHMR) shall develop a plan to enhance the well-being and care of citizens who are dually diagnosed with mental retardation and mental illness. This plan should include all relevant TDMHMR agency divisions and should consider the following as options to improve care: adding Home and Community-based Services placements; developing a new system of care for these clients; working with the federal government; and contracting of services. In addition, TDMHMR should make preparations for implementation of this plan as well as provide a mid-year progress report on plan development. This plan for care should be completed and all reports provided to the Legislative Budget Board and the Governor by May 1, 2002.

67. **Performance Measure Adjustment.** It is the intent of the Legislature that the department work with the Legislative Budget Board and the Governor, in accordance with § 7.01, Article IX, of this document, to make appropriate adjustments to performance measure targets if, during the course of the 2002–03 biennium, it receives a decrease in federal earnings related to a reduction in the rates for Medicaid reimbursement for rehabilitation services.

68. **Performance Measure Targets.** The department, with assistance from local authorities, the Legislative Budget Board, and the Governor, shall develop uniform methodologies to be used in setting its biennial performance measure targets. The methodologies will take into consideration inflation and operating costs as well as the actual costs associated with delivering individual units of mental health and mental retardation services. The department will use the methodologies in developing measure targets in its 2004–05 Legislative Appropriations Request.

69. **Cancellation of Leases.** It is the intent of the Legislature that the Texas Department of Mental Health and Mental Retardation work to ensure, in a manner that is fair to all parties, that the state is removed from leases which were originally used by the department but where the space is now utilized by community MHMR centers that have absorbed functions previously performed by the department. Except as hereinafter provided, the department may not expend funds appropriated under this Act after September 1, 2001, for leased office or building space which was previously occupied by the department but which is no longer occupied by the department as a result of transferring state-operated community services to local governance. In the event that a community MHMR center that now occupies such lease space declines to enter into a new lease (with the same lessor) that has key provisions (including the expiration date of the lease and amount of rental payment) identical to the state lease, the department may utilize funds that would have been otherwise allocated to the community MHMR center to achieve an equitable result with the lessor.

70. **Alternative Service Delivery Options for Court-committed Clients.** From funds appropriated, the Commissioner of Health and Human Services shall examine whether the Mexia State School and/or any other Intermediate Care Facility (ICF/MR) are appropriate settings for a consumer with mental retardation who has been referred through the criminal justice system.

    a. In the event the commission finds the Mexia State School or other ICF/MR facility are appropriate settings, the commission shall seek an appropriate waiver from the federal government for Medicaid-eligible clients who reside at the Mexia State School or other ICF/MR facilities who have been referred from the criminal justice system.

    b. In the event the commission finds the Mexia State School or other ICF/MR facilities are not appropriate settings for these clients, the commission shall develop a suitable alternative.

    c. The commission shall make its conclusions known to the Governor and the Legislative Budget Board by February 1, 2002.

71. **Purchasing of Medication.** The Department of Mental Health and Mental Retardation shall require local mental health and mental retardation authorities to document their effort to make needed medications available to consumers at the lowest possible prices and to utilize the most cost effective medication purchasing arrangement available. It is the intent of the Legislature that the Department of Mental Health and Mental Retardation shall provide technical assistance to community centers as necessary to maximize efficiency.

CONTINGENCY APPROPRIATIONS

72. **Friendship Opportunities for Individuals with Mental Retardation.** Contingent upon the receipt of additional Social Services Block Grant federal funds by the state, the department may allocate $100,000 in fiscal year 2002 and $100,000 in fiscal year 2003 for the purpose of contracting with nonprofit organizations that offer statewide programs that serve individuals with mental retardation; facilitate community integrated employment; coordinate one-on-one friendships between students with mental retardation and other students in middle school, high school, and college; coordinate one-on-one friendships between community volunteers and individuals with mental retardation; and coordinate one-on-one friendships for individuals with mental retardation over the Internet.

73. **Contingency Appropriation for House Bill 811, Special Olympics License Plate.** Contingent upon enactment of House Bill 811, or similar legislation of the Seventy-seventh Legislature relating to the issuance of Special Olympics Texas license plates, the Department of Mental Health and Mental Retardation (TDMHMR) is hereby appropriated all revenues generated by the issuance of Special Olympics Texas license plates. These revenues shall be

deposited in a new General Revenue account, that being the Texas Department of Mental Health and Mental Retardation Special Olympics Texas account. TDMHMR shall transfer annually the funds in this account to Special Olympics Texas, Inc. These funds shall only be used to pay for the cost associated with training and with regional competition of the Special Olympics Texas.

DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECTIVE SERVICES In collaboration with other public and private entities, protect children, elder adults, and persons with disabilities, from abuse, neglect and/or exploitation by providing an integrated service delivery system that results in quality outcomes, and reduce the incidence of abuse, neglect, and exploitation by maximizing resources for early intervention, prevention, and aftercare.		
Outcome (Results/Impact):		
Incidence of Child Abuse/Neglect Confirmed by CPS Per 1,000 Children under the Age of 18	7.7	7.7
Percent of Children in PRS Conservatorship for Whom Legal Resolution Was Achieved within 12 Months	62%	62%
Percent of Adoptions Consummated within 18 Months of Termination of Parental Rights	77%	77%
Percent of STAR Youth with Positive Outcomes 90 Days after Termination	79%	79%
Percent Change in Number of Youth Residing in CYD Zip Code Who Were Committed to the Texas Youth Commission	(17)%	(17)%
Percent of CYD Youth with Improved TAAS Scores	59%	59%
Average Number of Absences Per School Year for CYD Youth	5	5
Average Number of Disciplinary Referrals Per School Year for CYD Youth	1	1
Percent of Case-managed Communities-in-Schools Participants Remaining in School	95%	95%
Child Protective Services Caseworker Turnover Rate	25.2%	25.2%
Incidence of Abuse/Neglect/Exploitation Per 1,000 Elderly Persons and Persons with Disabilities	7.6	7.6
Percent of Validated Occurrences Where Children Are Placed at Serious Risk	22%	22%
Percent of CAPS Help Desk Calls Answered within the Related Service Level Agreement	91%	91%
A.1.1. Strategy: CPS STATEWIDE INTAKE Provide a comprehensive and consistent system with automation support for receiving reports of children suspected to be at risk of abuse/neglect and assign for investigation those reports that meet the Texas Family Code definition of child abuse/neglect.	$ 6,477,536	$ 6,477,536
Output (Volume):		
Number of CPS Reports of Child Abuse/Neglect	140,861	140,861
Efficiencies:		
CPS Caseload Per Worker: Intake	85.6	87.9
A.1.2. Strategy: CHILD AND FAMILY SERVICES Provide a comprehensive and consistent system for the direct delivery of investigations, regular family preservation and family	$ 188,881,832	$ 190,545,110

reunification services, out-of-home care, and permanency planning for children who are at risk of abuse/neglect and their families.		
Output (Volume):		
Number of Completed CPS Investigations	119,419	121,348
Number of Confirmed CPS Cases of Child Abuse/Neglect	28,469	28,529
Average Number of Open CPS Investigations Per Month	29,106	29,761
Number of Children in PRS Conservatorship Who Are Adopted	2,221	2,351
Efficiencies:		
Average Monthly Cost Per Open CPS Investigation	136.62	134.93
CPS Caseload Per Worker: Investigation	43.9	43.9
CPS Caseload Per Worker: Family Based Services	20.3	20.3
CPS Caseload Per Worker: Substitute Care	30.5	30.7
CPS Caseload Per Worker: Foster/Adoptive Development	27.8	28
CPS Caseload Per Worker: Generic	29.8	30
A.1.3. Strategy: CPS PURCHASED SERVICES	$ 53,091,983	$ 53,091,983
Provide purchased services to treat children who have been abused or neglected, to enhance the safety and well-being of children at risk of abuse and neglect, and to enable families to provide safe and nurturing home environments for their children.		
Output (Volume):		
Average Number of Children Living at Home Receiving Purchased Services Per Month	4,244	4,244
Number of Days of Child Day Care Paid Per Month	78,567	78,567
Efficiencies:		
Average Cost Per Child for Purchased Services	531.07	531.07
A.1.4. Strategy: INTENSIFIED FAMILY PRESERVATION	$ 14,705,544	$ 14,705,544
Provide intensified family preservation services to prevent unnecessary removal from their homes of children at risk of abuse and neglect, and intensified family reunification services to enable the early and safe return of children to their homes.		
Output (Volume):		
Average Number of Families Receiving Intensified Family Preservation Services Per Month	1,623	1,690
Efficiencies:		
Average Cost Per Family Receiving Intensified Family Preservation/Reunification Services	508.21	495.09
CPS Caseload Per Worker: Intensive Family Based Services	22.5	23
A.1.5. Strategy: FOSTER CARE/ADOPTION PAYMENTS	$ 334,625,816	$ 362,513,613
Provide funding for foster care services and adoption subsidies for children who need them.		
Output (Volume):		
Average Number of Days Per Month of Foster Care for All Levels of Care	396,273	411,434
Average Number of Children (FTE) Served in Paid Foster Care Per Month	13,028	13,527
Average Number of Children Provided Adoption Subsidy Per Month	13,402	14,735
Efficiencies:		
Average Expenditures for Foster Care Per Month for All Levels of Care	20,862,078	22,323,154
Average Monthly Payment Per Child (FTE) in Paid Foster Care	1,601.7	1,650.19
Average Monthly Payment Per Adoption Subsidy	478.79	494.11

A.1.6. Strategy: AT-RISK PREVENTION SERVICES	$ 63,011,810	$ 63,011,809
Provide funding and support for community-based prevention programs to alleviate the conditions that lead to child abuse/neglect and juvenile crime.		
Output (Volume):		
Average Number of STAR Youth Served Per Month	6,232	6,232
Average Number of CYD Youth Served Per Month	7,360	7,360
Number of Case-managed Students Participating in Communities-in-Schools Program	57,748	57,748
A.2.1. Strategy: ADULT PROTECTIVE SERVICES	$ 28,013,792	$ 28,013,793
Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of vulnerable adults and provide services to alleviate and prevent the recurrence of cases of maltreatment.		
Output (Volume):		
Number of Completed APS Investigations	52,585	54,242
Number of Confirmed APS Cases	34,706	34,706
Number of APS Clients Receiving Guardianship Services	682	709
Efficiencies:		
Average Monthly Cost Per APS Investigation	188.76	184.79
A.2.2. Strategy: MHMR INVESTIGATIONS	$ 5,789,986	$ 5,986,759
Provide a comprehensive and consistent system for the investigation of reports of abuse, neglect, and exploitation of persons receiving services through MHMR facilities and community MHMR centers.		
Output (Volume):		
Number of Completed MHMR Investigations	9,702	10,385
Efficiencies:		
Average Monthly Cost Per MHMR Investigation	434.4	422.05
A.3.1. Strategy: CHILD CARE REGULATION	$ 21,862,357	$ 22,192,759
Provide a comprehensive system of consultation, licensure, and regulation which ensures the maintenance of minimum standards by day care facilities, residential child care facilities, registered family homes, child-placing agencies, and residential child care facility administrators.		
Output (Volume):		
Number of Inspections	42,682	43,619
Efficiencies:		
Average Cost Per Inspection	215.4	212.25
A.4.1. Strategy: MAINTAIN AUTOMATED SYSTEM	$ 17,454,180	$ 15,866,361
Maintain the Child and Adult Protective System (CAPS) to support investigations and the delivery of protective services.		
Output (Volume):		
Number of Automated Workstations Connected to the CAPS Network	7,558	7,626
Total, Goal A: PROTECTIVE SERVICES	$ 733,914,836	$ 762,405,267

B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 9,599,316	$ 9,599,315
B.1.2. Strategy: INFORMATION RESOURCES	$ 9,100,208	$ 7,909,613
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,061,354	$ 1,061,354
B.1.4. Strategy: REGIONAL ADMINISTRATION	$ 5,848,659	$ 5,848,659
Total, Goal B: INDIRECT ADMINISTRATION	$ 25,609,537	$ 24,418,941
Grand Total, DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES	$ 759,524,373	$ 786,824,208
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 87,136,763	$ 89,761,679
GR Match for Medicaid	37,416,902	37,254,140
GR MOE for Temporary Assistance for Needy Families	27,533,524	27,533,524
Earned Federal Funds	2,000,000	2,000,000
GR Match for Title IV-E Foster Care/Adoption Payments	87,367,423	96,661,110
Subtotal, General Revenue Fund	$ 241,454,612	$ 253,210,453
GR Dedicated - Compensation to Victims of Crime Account No. 469	15,982,709	15,982,709
Federal Funds	485,341,497	500,886,884
Other Funds		
Appropriated Receipts	2,907,961	2,906,568
Interagency Contracts	13,837,594	13,837,594
Subtotal, Other Funds	$ 16,745,555	$ 16,744,162
Total, Method of Financing	$ 759,524,373	$ 786,824,208
Number of Full-Time-Equivalent Positions (FTE):	6,841.0	6,909.0
Schedule of Exempt Positions:		
Executive Director, Group 5	$125,000	$125,000
Supplemental Appropriations Made in Riders:	$ 8,475,000	$ 8,350,000

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

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities	$ 50,000	$ 50,000
b. Acquisition of Information Resource Technologies		
(1) Lease Payments to the Master Lease Purchase Program (1998-99)	143,445	99,024

(2)	Upgrade Data/Telecommunications Equipment	761,750	0
(3)	Refresh Computer Hardware	248,555	741,597
(4)	Refresh Computer Software	562,152	0
(5)	Desktop Services Lease for Computer Hardware and Software	4,893,577	4,928,710
(6)	Enhance CAPS Automation	2,206,754	2,059,790
(7)	Improve Network Efficiency	900,000	141,362
(8)	Use Web Technology	3,261,100	2,401,028
(9)	Enhance Prevention and Early Intervention (PEI) Automated System	230,111	17,062
(10)	Maintain and Enhance the Child Care Licensing System	2,969,181	3,220,863
	Total, Acquisition of Information Resource Technologies	$ 16,176,625	$ 13,609,436
	Total, Capital Budget	$ 16,226,625	$ 13,659,436
	Method of Financing (Capital Budget):		
	General Revenue Fund		
	General Revenue Fund	$ 6,592,193	$ 4,702,828
	GR Match for Medicaid	1,658,340	1,398,602
	Subtotal, General Revenue Fund	$ 8,250,533	$ 6,101,430
	Federal Funds	7,976,092	7,558,006
	Total, Method of Financing	$ 16,226,625	$ 13,659,436

2. **Substitute Care Permanency Goal.** In order to comply with P.L. 105-89, it is the intent of the Legislature that the Department of Protective and Regulatory Services actively seek permanent homes for the children who are in the department's substitute care program for long periods. To this end, the department shall seek to limit the number of children under the department's responsibility who are in substitute care for a period longer than 24 months. The department shall strive to assure that no more than 45 percent of the children in paid placements are in substitute care for more than 24 months for fiscal years 2002 and 2003.

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

3. **Limitation on Expenditures for Conservatorship Suits.** To the extent allowed by federal regulation, federal funds may be used by the department in conjunction with funds provided by counties with which the department has child welfare contracts, to pay for legal representation for children or their parents in suits in which the department is seeking to be named conservator. No general revenue funds appropriated to the department may be used to make such payments.

4. **Appropriation of Funds.** All funds received by the department from counties, cities, and other local sources and all balances from such sources as of August 31, 2001, are hereby appropriated for the biennium ending August 31, 2003, for the purpose of carrying out the provisions of this Act. (Estimated to be $125,000)

5. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Protective and Regulatory Services is hereby authorized to make transfers into separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to

a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.

6. **Tertiary Prevention of Child Abuse Programs.** From the amounts appropriated above, the Department of Protective and Regulatory Services shall allocate $120,000 each fiscal year of the biennium for continuation of a statewide network of community-based, volunteer-driven programs for prevention, intervention, and aftercare services of abused children.

7. **Foster Care Rates.** It is the intent of the Legislature that the Department of Protective and Regulatory Services not reduce foster care rates during the 2002–03 biennium. The department may transfer funds into Strategy A.1.5, Foster Care/Adoption Payments, for the purpose of maintaining foster care rates. The department may not transfer funds out of Strategy A.1.5, Foster Care/Adoption Payments.

   The department may also use funds in Strategy A.1.5, Foster Care/Adoption Payments, to recommend alternate service provision intake and investigation that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for existing and new pilot approaches implemented in this manner.

8. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from Department of Protective and Regulatory Services Fund 37. The initial deposit of federal funds shall be made into Fund 37 and no direct expenditures shall be made from this fund.

9. **Reimbursement of Advisory Committees.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Texas Multidisciplinary Task Force on Children's Justice, Child Abuse Prevention and Evaluation Committee, State Advisory Committee on Child Care Administrators and Facilities, and Advisory Committee to Promote Adoption of Minority Children.

10. **Earned Federal Funds.**

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

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

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

of the proposed use of these funds to the Legislative Budget Board, Governor's Office of Budget and Planning, and Health and Human Services Commission.

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

(3) The report shall include the information detailed in "b" and identify the impact on established performance targets, measures, and full-time equivalent positions.

c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2001, and receipts earned in fiscal years 2002 and 2003 (estimated to be $0).

11. **Contract Quality Assurance.** The department is hereby authorized to expend an amount not to exceed $500,000 in each year of the biennium from funds appropriated above in A.1.3, CPS Purchased Services, and A.1.5, Foster Care/Adoption Payments, for the purpose of verifying, monitoring, and enforcing compliance with federal, state, and agency contract performance requirements.

12. **Intensive Services to Parents.** The agency shall contract with existing organizations and established pilot projects to provide comprehensive and intensive early intervention and in-home parenting education. The outcomes should include but are not limited to preventing developmental delay, child abuse and neglect, school failure and other negative consequences for children.

13. **At-Risk Prevention Services.**

a. Out of funds appropriated above in Strategy A.1.6, At-Risk Prevention Services, in each year of the biennium the department shall allocate not less than $22,121,422 for the STAR Program; and not less than $8,206,767 for Community Youth Development Grants.

b. Included in Strategy A.1.6, At-Risk Prevention Services, are funds for the department to contract for projects utilizing community-based non-profit organizations which meet the following criteria:

(1) The recipient organization must:

i. serve at-risk youth,
ii. match any state dollars received,
iii. offer after school and weekend daily access to programs,
iv. maintain trained staff, and
v. maintain a dedicated facility.

c. The department may contract with individual community-based non-profit organizations and entities representing networks of community-based non-profit organizations to provide these services in communities across the state. The department shall report to the Legislative Budget Board and the Governor on the outcome of the projects.

d. Included in Strategy A.1.6, At-Risk Prevention Services, are funds for the department to contract for at-risk mentoring services with established mentoring organizations which have a demonstrated record of achievement, including organizations that provide adult and peer group services to underserved youth populations that have multiple risk factors and high risk

for suicide. An eligible recipient organization must have minimum requirements in place to assure that mentors are qualified for the responsibilities of working with at-risk children.

e. Contingent upon the availability of federal Social Services Block Grant funding exceeding the amounts appropriated in this Act by at least $5,000,000, there is hereby appropriated for Strategy A.1.6, At-Risk Prevention Services, $2,500,000 in federal funds for each fiscal year of the biennium.

14. **Medicaid and Other Reporting Requirements.**

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

(1) the department submits to the Legislative Budget Board and the Governor a copy of each report submitted to the federal government relating to the Medicaid program, the Foster Care and Adoption Assistance program, Temporary Assistance for Needy Families, and the Child Welfare Services program. This shall include, but is not limited to:

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

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

(2) the department submits to the Legislative Budget Board and the Governor at the end of each month:

i. a report detailing the foster care and adoption assistance caseload figures and related expenditure amounts, by level of care, for the preceding month; and
ii. a report projecting the anticipated foster care and adoption assistance caseloads for the 36 month period beginning with the first month after the report is due.

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

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

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

15. **Caseworker and Other Reporting Requirements.** None of the funds appropriated by this Act to the Department of Protective and Regulatory Services may be expended or distributed by the department unless the department submits to the Legislative Budget Board and the Governor

at the end of each quarter a report detailing the number of caseworkers and casework supervisors assigned to the Child Protective Services program, the Adult Protective Services program, and the Child Care Regulation program. The format and content of the report shall be prescribed by the Legislative Budget Board.

16. **Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of Protective and Regulatory Services may transfer appropriations made above for Strategy A.1.5 (Foster Care/Adoption Payments) for fiscal year 2003 to fiscal year 2002, subject to the following conditions provided by this section:

    a. Transfers under this section may be made only if costs associated with providing foster care and adoption assistance payments exceed the funds appropriated for these payments for fiscal year 2002;

    b. Transfers may not exceed $10,000,000 in general revenue;

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

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

17. **Hope Center.** The Department of Protective and Regulatory Services shall establish additional reporting requirements and performance measures for Hope Center to facilitate comparison with like entities. It is the intent of the legislature that the Hope Center compete with like entities in providing the services to children previously funded in Strategy A.1.7, Hope Center, beginning September 1, 2001.

18. **Limitation on Expenditures for Administrative Overhead.** Out of the funds appropriated above in Strategy A.1.3, CPS Purchased Services, $12,818,264 in fiscal year 2002 and $12,818,264 in fiscal year 2003 may be used only to purchase child day care services through the Texas Workforce Commission.

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

19. **Communities in Schools Program.** Out of the funds appropriated above in Strategy A.1.6, At-Risk Prevention Services, $17,628,865 in fiscal year 2002 and $17,628,865 in fiscal year 2003 may be used only for the Communities in Schools program.

20. **Child Protective Services Caseload Measures.** The Department of Protective and Regulatory Services shall exclude trainees from the methodology used to calculate performance for CPS caseload per worker measures. CPS caseload per worker measures shall be reported every six months (semi-annually).

21. **Appropriation for Targeted Salary Increase.** Notwithstanding other appropriations made by this Act related to salary increases, in addition to amounts appropriated above to the Department of Protective and Regulatory Services, there is hereby appropriated $4,100,000 in each year of the biennium out of the General Revenue Fund and $1,750,000 in each year of the biennium out of Federal Funds for the purpose of making salary increases for the Protective Services Specialist series.

The Department of Protective and Regulatory Services is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

22. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Protective and Regulatory Services shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Protective and Regulatory Services shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of the agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for caseworkers.

23. **Use of Personal Cellular Telephones.** Out of funds appropriated above for Strategy B.1.2, Information Resources, the Department of Protective and Regulatory Services shall pay child protective services program caseworkers, supervisors, and directors an amount not to exceed $50 per month for work-related use of their personal cellular telephones.

REHABILITATION COMMISSION

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
A. Goal: SERVICE DELIVERY SYSTEM To provide an integrated system of service delivery options which promotes informed client choice in the delivery of services leading to employment of choice, living as independently as possible, and accessing high quality services.		
Outcome (Results/Impact):		
Percent of Employed Rehabilitants Earning at Least Minimum Wage	97.3%	97.3%
A.1.1. Strategy: REHABILITATION SERVICES Rehabilitate and place people with disabilities in competitive employment or other appropriate settings, consistent with informed consumer choice and abilities.	$ 163,408,818	$ 163,742,649
Output (Volume):		
Number of Eligible Clients Provided Vocational Rehabilitation Services	118,343	118,583
Number of Eligible Clients Rehabilitated and Employed	25,206	25,257
Number of Individuals Whose TRC-supported Training and Education Extended past Two Years	1,500	1,500
Efficiencies:		
Cost Per Client Rehabilitated and Employed	6,622	6,622
Average Length of TRC-supported Training and Education Courses Before Employment (Months)	12	12
Average Cost Per Individual in a TRC-supported Training and Education Course	924	939
A.2.1. Strategy: EXTENDED REHABILITATION Provide extended rehabilitation services which emphasize community integrated employment and strive to expand employment opportunities for Texans with disabilities who need ongoing support to obtain and maintain employment	$ 3,971,925	$ 3,971,924

offering competitive wages and benefits consistent with consumer choice.		
Output (Volume):		
Number of Extended Rehabilitation Services Clients Working in Community Integrated Employment	963	963
Number of Extended Rehabilitation Services Clients Working in Alternative Sheltered Employment	385	385
Efficiencies:		
Average Cost Per ERS Client	2,957	2,957
A.3.1. Strategy: INDEPENDENT LIVING CENTERS	$ 1,439,283	$ 1,439,283
Work with independent living centers and the State Independent Living Council (SILC) to establish the centers as financially and programmatically independent from Texas Rehabilitation Commission and financially and programmatically accountable for achieving independent living outcomes with their clients.		
Output (Volume):		
Number of People Receiving Services from Texas Rehabilitation Commission Supported Independent Living Centers	3,822	3,822
A.3.2. Strategy: INDEPENDENT LIVING SERVICES	$ 3,192,709	$ 3,192,709
Provide consumer-driven and Texas Rehabilitation Commission counselor-supported independent living services to people with severe disabilities statewide.		
Output (Volume):		
Number of People Receiving Texas Rehabilitation Commission Supported Independent Living Services	2,237	2,237
A.3.3. Strategy: COMPREHENSIVE REHABILITATION	$ 9,894,713	$ 9,894,713
Provide consumer-driven and counselor-supported Comprehensive Rehabilitation Services for people with traumatic brain injuries or spinal cord injuries.		
Output (Volume):		
People Receiving Comprehensive Rehabilitation Services	494	494
Efficiencies:		
Cost Per CRS Client	20,028	20,028
A.4.1. Strategy: TRANSITIONAL PLANNING	$ 402,554	$ 402,554
Provide a Transition Planning Program for students with disabilities.		
Output (Volume):		
Total Number of Individuals Aged 16-22 with Disabilities Served by Texas Rehabilitation Commission Adult Programs	4,523	4,523
Total, Goal A: SERVICE DELIVERY SYSTEM	$ 182,310,002	$ 182,643,832
B. Goal: DISABILITY DETERMINATION		
Enhance service to persons with disabilities by achieving accuracy and timeliness within the Social Security Administration Disability Program guidelines and improving the cost-effectiveness of the decision making process in the disability determination services.		
Outcome (Results/Impact):		
Percent of Case Decisions That Are Accurate	95%	95%
B.1.1. Strategy: DDS DETERMINATION	$ 72,928,388	$ 72,928,388
Enhance cost-effective methods in administering disability determination services.		
Output (Volume):		
Number of Disability Cases Determined	238,430	238,430
Efficiencies:		
Cost Per Disability Case Determination	295	295

C. Goal: PROGRAM INITIATIVES		
Strengthen our continuum of direct service programs with legislative and strategic initiatives which promote innovation in meeting the needs of Texans with disabilities and emphasize effective interaction with consumers and advocates.		
Outcome (Results/Impact):		
Percent of Total Developmental Disabilities Plan Activities Initiated	87%	87%
C.1.1. Strategy: PROMOTE INDEPENDENCE	$ 3,968,133	$ 3,967,493
Promote the independence, productivity, and integration of people with developmental disabilities in Texas.		
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 8,358,131	$ 8,349,809
D.1.2. Strategy: INFORMATION RESOURCES	$ 7,886,475	$ 8,070,867
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 4,921,525	$ 4,921,525
Total, Goal D: INDIRECT ADMINISTRATION	$ 21,166,131	$ 21,342,201
Grand Total, REHABILITATION COMMISSION	$ 280,372,654	$ 280,881,914
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 8,963,578	$ 8,892,327
GR for Vocational Rehabilitation	33,855,024	34,150,604
Subtotal, General Revenue Fund	$ 42,818,602	$ 43,042,931
GR- Dedicated - Comprehensive Rehabilitation Account No. 107	10,538,883	10,538,883
Federal Funds	226,425,338	226,710,269
Interagency Contracts	589,831	589,831
Total, Method of Financing	$ 280,372,654	$ 280,881,914
Number of Full-Time-Equivalent Positions (FTE):	2,602.5	2,602.5
Schedule of Exempt Positions:		
Commissioner, Group 4	$104,000	$104,000

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

	2002	2003
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) Network Management/Administrative/Intranet Hardware Expansion	$ 298,000	$ 223,000
(2) Workstation Services	2,456,249	2,178,066

(3) Software Development and Software Management Tools	405,000	405,000
(4) SSA Redesign and Reconfiguration of State DDS	3,950,000	3,950,000
Total, Acquisition of Information Resource Technologies	$ 7,109,249	$ 6,756,066
Total, Capital Budget	$ 7,109,249	$ 6,756,066

2. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for Advisory Committee Members, out of funds appropriated above, is limited to the following advisory committees: State Independent Living Council, Rehabilitation Council of Texas, Comprehensive Rehabilitation Advisory Committee, and Community Rehabilitation Advisory Committee.

3. **Subrogation Receipts.** Included in amounts appropriated above are subrogation collections from the 2002-03 biennium, $50,000 annually.

4. **Notification of Federal Funds Distribution.**

   a. Redirection of General Revenue Funds. The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program.

   b. Budgeting of Additional Federal Dollars. The Rehabilitation Commission shall notify the Legislative Budget Board and the Governor at least 14 days prior to the budgeting of more than $134,338,643 in fiscal year 2002 and $134,369,439 in fiscal year 2003 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the method of finance above. At least 14 days prior to the expenditure of amounts greater than those listed above, the agency shall notify the Legislative Budget Board and the Governor. Amounts noted above include any amounts expended in fiscal year 2002 or 2003 that were carried forward from previous year's allotments.

5. **FTE Designation: Disability Council.** The Texas Rehabilitation Commission is authorized up to 2,602.5 in 2002 and 2,602.5 in 2003 in Full-Time Equivalent (FTE) positions. It is the intent of the Legislature that 17 FTEs each fiscal year are designated for Strategy C.1.1, Promote Independence, for the Developmental Disabilities Council.

6. **General Revenue Fund Dedicated: Comprehensive Rehabilitation Revenue.** The method of financing noted above, General Revenue Fund-Dedicated, Comprehensive Rehabilitation Account No.107, includes unexpended and unobligated balances of Comprehensive Rehabilitation funds remaining as of August 31, 2001, and receipts earned in fiscal year 2002 and fiscal year 2003. In addition, the Texas Rehabilitation Commission is hereby appropriated any revenues generated in General Revenue-Dedicated Account 107, Comprehensive Rehabilitation above $10,302,000 in fiscal year 2002 and $10,602,000 in fiscal year 2003 for the purpose of providing Comprehensive Rehabilitation Services, for persons who suffered traumatic brain injury and/or a spinal cord injury. The dollar amounts above are contained in the

Comptroller of Public Accounts' 2002–03 Biennial Revenue Estimate for revenues deposited into Account 107, Comprehensive Rehabilitation. Revenues deposited into General Revenue-Dedicated Account 107 are statutorily dedicated for comprehensive rehabilitation services and may not be used for any other purpose. (Estimated to be $0)

7. **Denial Rates for Social Security Disability Insurance and Supplemental Security Income.** The Texas Rehabilitation Commission shall submit a written report quarterly to the Legislative Budget Board and Governor that compare the Commission's rate and the numbers of denials for initial claims for Social Security Disability Insurance and Supplemental Security Income to regional and national rates of denials. The Commission shall also report the rate and numbers of initial denials overturned upon appeal compared to regional and national rates during the quarter.

8. **On-Site Eligibility Reviews for Mental Health and Mental Retardation Referrals.** The Texas Rehabilitation Commission (TRC) and the Texas Department of Mental Health and Mental Retardation shall develop a memorandum of understanding for the purpose of having TRC staff conduct Social Security Disability Insurance and Supplemental Security Income eligibility reviews on-site at Mental Health and Mental Retardation Community Centers for persons referred by the centers to determine eligibility for services.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 87,589,044	$ 89,340,824
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 264,248,748	$ 299,073,668
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 351,837,792	$ 388,414,492
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 351,837,792	$ 388,414,492
Method of Financing:		
General Revenue Fund, estimated	$ 169,713,154	$ 185,314,012
General Revenue - Dedicated, estimated	2,228,906	2,435,613
Federal Funds, estimated	175,955,246	196,605,237
Other Special State Funds, estimated	3,940,486	4,059,630
Total, Method of Financing	$ 351,837,792	$ 388,414,492

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 109,138,521	$ 111,321,292
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 27,680,838	$ 25,678,131
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 136,819,359	$ 136,999,423
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 136,819,359	$ 136,999,423
Method of Financing:		
General Revenue Fund, estimated	$ 69,740,978	$ 68,747,685
General Revenue - Dedicated, estimated	1,153,107	1,155,307
Federal Funds, estimated	64,887,032	66,056,239
Other Special State Funds, estimated	1,038,242	1,040,192
Total, Method of Financing	$ 136,819,359	$ 136,999,423

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 18,720,259	$ 20,012,042 & UB
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 18,720,259	$ 20,012,042
Method of Financing:		
General Revenue Fund	$ 15,803,425	$ 17,096,798
Federal Funds	2,362,984	2,361,154

BOND DEBT SERVICE PAYMENTS
(Continued)

Other Funds		
Current Fund Balance	100,000	100,000
MHMR Collections for Patient Support and Maintenance	232,081	232,290
MHMR Appropriated Receipts	32,767	32,786
MHMR Medicare Receipts	189,002	189,014
Subtotal, Other Funds	$ 553,850	$ 554,090
Total, Method of Financing	$ 18,720,259	$ 20,012,042

LEASE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 7,061,439	$ 7,067,769 & UB
Grand Total, LEASE PAYMENTS	$ 7,061,439	$ 7,067,769

SPECIAL PROVISIONS RELATING TO ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 2. **Night Shift and Weekend Differential**.

a. Clinical and Support Personnel. The Department of Mental Health and Mental Retardation and the Department of Health are authorized to pay an additional night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel who work the 3 p.m. to 11 p.m. or the 11 p.m. to 7 a.m. shift or its equivalent. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

b. Data Processing Personnel. The Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, the Department of Protective and Regulatory Services, and the Health and Human Services Consolidated Print Shop may pay an evening or night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel in data processing or printing operations who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

Sec. 3. **Services to Employees**. Out of the appropriations authorized, the Department of Mental Health and Mental Retardation and Department of Health may expend funds for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment so long as such items are medically prescribed equipment. Expenditures for such equipment may not exceed $500 per employee per incident.

Sec. 4. **Charges to Employees and Guests**. Collections for services rendered employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the respective governing boards may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

Sec. 5. **New or Additional Facilities**. No funds appropriated may be spent for constructing new or additional facilities or for the purchase of sites therefor, without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this subsection, specific authorization may be granted either by basic statute or special authorization in this act.

Sec. 6. **Revolving Petty Cash Funds**. Each facility under the Board of Health and Board of Mental Health and Mental Retardation may establish a petty cash fund to be maintained in cash or at a local bank. The petty cash fund, not to exceed $25,000, shall be used only for making emergency payments and small purchases which will increase the efficiency of the operation; for payments to client workers on a regular payday basis; for use as change funds in specific locations where financial activities of the agency require a change fund, and for supplies and equipment purchases for sheltered workshops.

Sec. 7. **Out-patient Clinics and Community-based Services.**

a. Unless otherwise restricted, the Board of Health and Board of Mental Health and Mental Retardation shall charge for treatment and medication to patients treated at an out-patient clinic or community center at rates not to exceed the actual cost. An additional charge may be made for medication dispensed to patients at a rate not to exceed the cost to the State. Fee schedules for services and medications provided shall be reviewed on an annual basis. All fee schedules shall be based on the ability to pay on a sliding scale basis.

b. Unless otherwise restricted, proceeds from the sale of medications and from treatment are hereby appropriated to the respective out-patient clinics or community centers.

Sec. 8. **Approval of Transfers of Medicaid - Title XIX Funds**. As an exception to other provisions of this Act, a transfer that exceeds $1 million in all funds, state and federal, appropriated for Medicaid - Title XIX purposes between strategies of an agency receiving appropriations in this article cannot be made without the prior approval of the Commissioner of Health and Human Services established in Chapter 531 of the Government Code. The Commissioner shall establish procedures that expedite the approval process. Within 14 days of the transfer, agencies are to submit a report to the Legislative Budget Board, Governor's Office of Budget and Planning, and the Comptroller of Public Accounts. The report shall include information regarding affected strategies; method of finance; performance measure changes; and full-time equivalent positions due to the transfer of Medicaid funding.

Sec. 9. **Annual Report - Professional Fee Exemption**. It is the intent of the Legislature that the Annual Report required by the General Provisions of this Act shall not include professional fees paid for routine or special examinations for the purpose of determining eligibility of individuals for any of the programs administered by the agencies in this article, professional fees for treatment, services or care for individual recipients, or for providing special needs or appliances for individual recipients, but shall include fees for professional services or consultative services rendered for the general administration of the department.

Sec. 10. **Disposition of State Funds Available Resulting from Federal Match Ratio Change**. In the event the Federal Medical Assistance Percentage should be greater than 60.24 percent for federal fiscal year 2003, the following departments shall be authorized to expend the state funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and Governor’s Office of Budget and Planning: Department of Health; Department of Human Services; Department of Mental Health and Mental Retardation; and Department of Protective and Regulatory Services. A copy of such authorization shall be provided to the Comptroller of Public Accounts to assist in monitoring compliance with this provision.

Sec. 11. **Costs Related to Co-location of Services and to Inter-agency Sharing of Support Functions and Services**. To provide an efficient and effective method of paying common support costs related to co-location of human services as required pursuant to the provision of Chapter 531 of the Government Code, and/or costs of performing support functions for multiple agencies, funds may be transferred between agencies for payment of such costs and agencies are authorized to deposit those funds into separate accounts for the purpose of paying shared costs including, but not limited to, postage, occupancy costs, equipment repair, telephones and telephone system costs, office printing costs, supplies, freight and transport costs, electronic data processing systems, or other business functions. Each agency shall be responsible for monthly allocations of these costs to the original strategies.

Sec. 12. **Contracts for Purchase of Client Services**. No funds appropriated to an agency covered by this article may be utilized for contracts for the purchase of program-related client services unless:

a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;

c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;

d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.

Sec. 13. **Attorney General Representation.** The Attorney General and the respective agency head of an agency identified in this provision are hereby authorized to jointly select one or more Assistant Attorneys General to be assigned to the respective agency. The following agencies are subject to this provision: Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, Health and Human Services Commission, and Department of Protective and Regulatory Services.

Sec. 14. **Medicaid Managed Care Contracts.** The Health and Human Services Commission, Department of Health, Department of Human Services and the Department of Mental Health and Mental Retardation shall include and award value added points in the scoring of applications submitted for Medicaid managed care contracts. At a minimum, the following considerations are to be considered as items for value added points:

a. Continuity of care for the Medicaid client;
b. Graduate Medical Education as part of the delivery system; and
c. Amount of charity care provided by the party applying for a contract award.

Sec. 15. **Transfer of Fund Balances.** Any interest, payments on principal, or balances remaining as of August 31, 2001, in Fund Numbers 15, 16, 17, and 18 are to be transferred by the State Comptroller of Public Accounts to the General Revenue Fund either annually or semiannually.

Sec. 16. **Consolidated Waiver Pilot Project Authorization.** From funds appropriated in Article II for Medicaid waivers that serve people with disabilities, the Health and Human Services Commission is authorized to utilize up to $6,529,345 in Interagency Contracts and $9,562,207 in matching federal funds for the biennium to develop and implement a pilot waiver program that would consolidate waiver services provided to eligible clients. Waiver programs affected under this provision include the Community Based Alternatives, Community Living Assistance and Support Services, and Medically Dependent Children's program at the Department of Human Services and the Home and Community Services waiver at the Department of Mental Health and Mental Retardation.

Sec. 17. **Functional Assessment for Disability Services.** The Health and Human Services Commission is authorized to continue implementation of the provisions of House Bill 663, Seventy-fifth Legislature, requiring the development of a single functional assessment for all disability services. The health and human services agencies that provide long-term care programs based on a determination of disability as an eligibility criterion shall contribute, from amounts appropriated in this Article, a total of $125,000 to the Health and Human Services Commission for development of the assessment tool. The Health and Human Services Commission shall determine the amounts to be contributed by each agency.

Sec. 18. **Children's Medicaid Review.** The Department of Human Services shall implement procedures to automatically review children's eligibility for Medicaid when their families become ineligible for Temporary Assistance for Needy Families (TANF) and to ensure that their Medicaid coverage continues uninterrupted if they are eligible. The Department of Health and the Department of Human Services shall cooperate to ensure that the child continues to receive medical assistance without a gap in eligibility if the review required by this rider indicates that the child is eligible for medical assistance on another basis. The Department of Health shall make expenditures, out of funds appropriated above, in the Medicaid program for children determined to be eligible for the Medicaid program. No child shall receive Medicaid unless they are eligible because of their income level.

Sec. 19. **Transfer Authority.** The Commissioner of Health and Human Services is authorized to make the following transfers, subject to prior approval by the Legislative Budget Board and the Governor, between health and human services agencies listed in Chapter 531, Government Code, including the Health and Human Services Commission, and between the strategies of each such agency. Any such transfers shall be made solely for purpose of creating an efficient, integrated system of business operations across health and human service agencies, for achieving the efficient and effective operation of the Medicaid program, to maximize federal funds, or for other purposes specifically described in Chapter 531, Government Code.

a. The Commissioner of Health and Human Services is authorized to transfer funds between health and human services agencies listed in Chapter 531, Government Code including the Health and Human Services Commission, and between the strategies of each such agency, for the purpose of implementing the purposes outlined in Chapter 531, Government Code, subject to prior approval by the Legislative Budget Board and the Governor. No one transfer action between agencies may exceed 5 percent of the total yearly appropriation amount of the agency from which funds are being transferred. All approved transfers made pursuant to this provision shall be reported to the Governor and the Legislative Budget Board within 14 days of the transfer action.

b. The Commissioner of Health and Human Services is authorized to transfer full-time equivalent positions 1) between the agencies named in Chapter 531, Government Code, and 2) from agencies named in Chapter 531, Government Code, to the Health and Human Services Commission, provided that such approved transfers shall not result in a net increase in the total number of full-time equivalent positions authorized for those agencies in this Act. These transfers are subject to the prior approval of the Legislative Budget Board and the Governor.

c. Funds appropriated to agencies listed in Chapter 531, Government Code, for capital budget items may only be expended for capital budget items listed in this article. Amounts shall be expended only for the purposes shown and are not available for expenditure for other purposes. The Commissioner of Health and Human Services is authorized to transfer approved appropriations for capital budget items. These transfers are subject to the prior approval of the Legislative Budget Board and the Governor. Amounts appropriated for "Lease Payments to the Master Equipment Purchase Program" may not be transferred.

d. All approved fund transfers, transfers of full-time equivalent employees and transfer of appropriation authority for capital budget items made pursuant to this section shall be reported to the Governor's Office of Budget and Planning and the Legislative Budget Board no later than 30 days prior to the transfer action. Notifications shall include information regarding the source of funds to the transferred, and any changes in federal funds related to the proposed transfer, the agency and strategy from which the transfer is to be made and the agency and strategy to which the transfer is to be made, the need which was to be served through the original appropriation and the basis for the decrease in need, the need to be served in the strategy receiving the funds and the basis for selecting the strategy, and the purpose established in Chapter 531, Government Code, to be achieved by the transfer. In the

event that the transfer could potentially impact client services, the notification shall include information regarding the client population potentially impacted and the impacted agencies' ability to operate existing programs.

Sec. 20. **Payment for Compensatory Time.** It is expressly provided that the Department of Mental Health and Mental Retardation and the Texas Department of Health's State Healthcare Facilities, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

Sec. 21. **Business Processes Study.** The Commission shall review the effectiveness and efficiency of the business processes of all agencies under its purview. Specific areas to be addressed include:

a. Human Resources Management: Examine the potential of establishing a common, shared human resource system to be used by all HHS agencies, including a common time and leave system, and of centralizing certain human resource functions in regional or headquarter offices;

b. Regional Service Centers: Assess the potential savings generated from consolidating HHS agency administrative, financial and information resource management functions within regional service bureaus in the field;

c. Cost Report Audits: Review the potential benefit of consolidating cost report audits across all HHS agencies;

d. Travel Policies: Identify methods to maximize the use of enterprise-wide communications, including video-conferencing, to reduce the need for employee travel;

e. Consolidation of Warehouse and Print Shop Functions: Assess the feasibility of eliminating surplus property and unneeded warehouse space and centralizing document production and distribution functions between certain HHS agencies; and

f. Purchasing: Reduce costs associated with purchasing at individual HHS agencies by taking advantage of cross-agency volume purchasing of standardized commodities using purchasing consortia.

The Commissioner shall report the findings and related recommendations to the Legislative Budget Board and the Governor no later than September 1, 2002. In order to implement the recommendations and reduce the costs of business processes at health and human services agencies the Commissioner is hereby authorized to transfer appropriations between items and/or between health and human services agencies and to adjust the number of Full-Time Equivalent positions assigned to the agencies. Notice of proposed transfers and FTE adjustments shall be given to the Legislative Budget Board and Governor and may take effect after 30 days unless disapproved or modified by either office. On or before September 1, 2002, the Commissioner shall determine items of appropriation where reductions may be made in the total amount of $10 million in general revenue funds. Notice of appropriation items and amounts to be reduced shall be given to the Comptroller of Public Accounts, Legislative Budget Board, and Governor's Office of Budget and Planning. The Comptroller shall make the appropriate budget reductions on October 1, 2002 or at an earlier time if directed to do so by the Legislative Budget Board and Governor. In the event the Comptroller has not received the required report by October 1, 2002, general revenue appropriations to health and human services agencies shall be reduced by the Comptroller on a proportional basis to achieve the total $10 million reduction.

Sec. 22. **Limitation on Appropriations for Long-term Care Waiver Slots.** None of the funds appropriated above to the Department of Human Services and the Department of Mental Health and Mental Retardation for long-term care waiver slots may be utilized for purposes other than:

a. the establishment and maintenance of long-term care waiver slots;

b. the provision of wraparound services, as identified in the Health and Human Services Commission Consolidated Budget for 2002–03 that are specifically associated with such slots and that relate to transitional services, access to immediate housing, and transportation services; or

* c. contingent upon the enactment of House Bill 1213 or similar legislation, the development of family-based alternatives for children leaving institutions.

This provision applies to funds appropriated for the Home and Community-based Services (HCS) waiver program at the Department of Mental Health and Mental Retardation and the following waiver programs at the Department of Human Services: Community-based Alternatives (CBA), Community Living Assistance and Support Services (CLASS), Medically Dependent Children's Program (MDCP) and Deaf-Blind with Multiple Disabilities Waiver.

Sec. 23. **Contingency Appropriation for Senate Bill 1475.**

a. The following provisions are contingent upon enactment of Senate Bill 1475, or similar legislation which transfers the Children's Trust Fund of Texas Council to the Department of Protective and Regulatory Services, by the Seventy-seventh Legislature, Regular Session.

b. In the bill pattern for the Department of Protective and Regulatory Services add the following strategy and strategy appropriation:

	2002	2003
A.1.8 Strategy CHILDREN'S TRUST FUND	$ 1,878,631	$ 1,878,631

c. Effective September 1, 2001, the appropriations and FTEs shown below shall be transferred to the Department of Protective and Regulatory Services, for use in Strategy A.1.8, Children's Trust Fund.

	2002	2003	FTEs
Children's Trust Fund of Texas Council A.1.1. Strategy: GRANTS, ASSISTANCE, AND AWARENESS	$ 1,700,768	$ 1,700,768	0.0
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 177,863	$ 177,863	4.0
Method of Financing: GR Dedicated - Children's Trust Fund of Texas Council Operating Account No. 541	$ 1,778,631	$ 1,778,631	
Interagency Contracts	$ 100,000	$ 100,000	

d. Performance measures contained in the Children's Trust Fund of Texas Council Strategy A.1.1, Grants, Assistance, and Awareness, shall be applicable to the Department of Protective and Regulatory Services.

* House Bill 1213 or similar legislation did not pass.

e. On the effective date of this Act, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds relating to the Children's Trust Fund of Texas Council are transferred to the Department of Protective and Regulatory Services. Final determination of the amounts of funding and full-time equivalents to be transferred shall be made by the Health and Human Services Commission. A report on the final amounts to be transferred shall be issued to the Legislative Budget Board and the Governor's Office no later than 30 days prior to the final transfer.

Sec. 24. **Enterprise Administrative System.** Out of funds appropriated to agencies identified in Chapter 531, Government Code, the Health and Human Services Commission may identify and transfer funds from those agencies in order to fund the Enterprise Administrative System (PeopleSoft implementation), in an amount not to exceed $11.6 million in General Revenue Funds or $24.9 million in All Funds. Balances identified may be carried forward between years of the 2002–03 biennium in order to accomplish the goals of the project. Amounts expended by other agencies such as the Department of Human Services for similar purposes are assumed to reduce the demand for transfers of funding to accomplish the goals of this project. The transfers of funding between agencies are subject to prior approval by the Legislative Budget Board and the Governor. Requests to transfer funds shall include the source of funding, method of financing, and stipulations as to whether the particular agency project to be funded through the transfer is approved in an affected agency's Biennial Operating Plan. The Health and Human Services Commission shall also specify whether an increase in capital budget authority for a particular agency is being requested at the time transfers are made to fund agency projects.

Sec. 25. **Salary Recommendations.** Before the beginning of each session of the Legislature, the Commissioner of Health and Human Services may recommend to the members of the Legislature, the Legislative Budget Board, and the State Auditor that the salaries of the chief executive officer of an agency named under Chapter 531, Government Code, be adjusted.

Sec. 26. **Access to Health Care Services.** It is the intent of the Legislature that all agencies administering or responsible for any part of the medical assistance program under Chapter 32, Human Resources Code, work together to maximize the number of providers, including providers of pediatric care, primary care, nursing home care, and home health services to promote access to quality health care services for all enrollees.

Sec. 27. **Payment for Prior Year Expenditures.** Notwithstanding any other provision of this Act or any other restrictions on transferability, agencies under § 531.001, Government Code, are authorized to pay for prior year expenditures with current year appropriations. This provision would authorize fiscal year 2002 appropriations to be utilized to cover fiscal year 2001 expenditures and authorize fiscal year 2003 appropriations to be utilized to cover fiscal year 2002 expenditures. Proposed transfers under this provision are authorized only at the request of the Health and Human Services Commissioner with the prior approval of the Legislative Budget Board and the Governor's Office of Budget and Planning.

Sec. 28. **Medicaid Rate Increases.** Out of funds appropriated elsewhere in this Act to various Medicaid operating agencies, a total of $197 million in General Revenue funds are allocated for rate increases in the Medicaid program. The Health and Human Services Commission shall provide a report to the Legislative Budget Board and Governor by September 1 of each year of the biennium regarding the methodologies used to implement the rate increases noted below, regarding the allocation of increases between agencies, where appropriate, the impact of the rate increases on the provision of services, and providing a certification that the methodology used to implement the rate increase will result in the expenditure of no more than an additional $197 million in General Revenue Funds in the Medicaid program above what would otherwise have been expended. The amounts and programs are as follows: Medical Professionals $50 million in General Revenue; Community Care (wages) $50 million in General Revenue; Outpatient Hospital $35 million in General Revenue; Dental Care $20 million in General Revenue; Health Maintenance Organizations $35 million in General Revenue; STAR+PLUS

$4.5 million in General Revenue; and Home and Community-based Services providers $2.5 million in General Revenue.

Sec. 29. **Medical Rate Increases.** Out of funds appropriated elsewhere in this Act to the Department of Health and the Health and Human Services Commission, a total of $50,000,000 in General Revenue and $75,439,321 in Federal Funds are allocated for medical professional services rate increases in the Medicaid program. Increases are intended to enhance Medicaid clients' access to medically appropriate services, as well as to attract and retain medical professionals and to reward high-volume Medicaid providers, particularly providers along the Texas-Mexico border and in rural areas. The Commissioner of Health and Human Services shall develop, in consultation with an advisory committee composed of members of the Physician Payment Advisory Committee as well as regional practitioners who practice in low income areas of the state, a methodology to implement rate increases. The Health and Human Services Commission shall provide a report to the Legislative Budget Board and the Governor by September 1 of each year in the biennium regarding allocation of rate increases by methodologies noted below, regarding the allocation of increases between agencies, the impact of the rate increases on the provision of medical services, and provide a certification that the methodology used to implement the rate increase will result in the expenditure of no more than an additional $50 million in General Revenue funds in the Medicaid program above what would otherwise have been expended.

a. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to increase the rate for Early Periodic Screening Diagnosis and Treatment (EPDST) screens. A methodology shall be developed to provide an additional enhancement when clients are seen within the recommended reevaluation period by the same physician or physician group;

b. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to provide an additional enhancement in the office-based evaluation and management procedures. The methodology developed by the Health and Human Services Commission shall identify procedure codes that would lead toward quality service delivery and improve stability in the provider network. To encourage comprehensive exams for new patients and appropriate and continuous preventive services for established patients, a methodology shall be developed that provides an additional increase to high-volume Medicaid practitioners as defined by the Commission;

c. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to provide an increase in rates for primary care providers to encourage effective primary and preventive care; and

d. It is the intent of the Legislature that the Health and Human Services Commission implement mechanisms to ensure that the increased amounts go directly to providers.

Sec. 30. **Dental Rate Increases.** Out of funds appropriated elsewhere in this Act to the Department of Health, a total of $20,000,000 in General Revenue funds and $30,175,728 in Federal Funds is allocated for dental rate increases in the Medicaid program. Increases are intended to enhance Medicaid clients' access to medically appropriate dental services, as well as to attract and retain dental professionals and to reward high-volume Medicaid providers, particularly providers along the Texas-Mexico border and in rural areas. The Health and Human Services Commission shall allocate the rate increases between the methodologies listed below and report to the Legislative Budget Board and the Governor by September 1 of each year of the biennium regarding allocation of rate increases by methodologies noted below, the impact of the rate increases on the provisions of dental services, and provide a certification that the methodology used to implement the rate increase will result in the expenditure of no more than an additional $20 million in General Revenue funds in the Medicaid program above what would otherwise have been expended.

a. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to increase the rates for periodic dental exams and comprehensive dental exams and to enhance payments for certain preventive services.

b. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to provide an additional increase in rates for practitioners who provide a minimum threshold of EPSDT dental examinations and preventive services; and

c. A portion of the increase, as determined by the Health and Human Services Commission, is allocated to provide an increase in rates for selected restorative work.

d. It is the intent of the Legislature that the Health and Human Services Commission implement mechanisms to ensure that the increased amounts go directly to providers.

Sec. 31. **Limitation on Appropriations for Rates.** None of the funds appropriated to the Department of Health, the Department of Human Services, the Department of Mental Health and Mental Retardation, and the Department of Protective and Regulatory Services for rates may be utilized for purposes other than rates for service providers.

Sec. 32. **Simplified Medicaid Eligibility for Children.** The following provisions relate to the implementation of simplified Medicaid eligibility for children, as provided by Senate Bill 43 or similar legislation enacted by the Seventy-seventh Legislature.

Out of funds appropriated elsewhere in this Act to the Health and Human Services Commission, $61,300,000 in General Revenue Match for Medicaid and $92,720,101 in Federal Funds for fiscal year 2002 and $61,300,000 in General Revenue match for Medicaid and $92,257,114 in Federal Funds for fiscal year 2003 are allocated to the Health and Human Services Commission to implement modifications to the Medicaid application and recertification processes for children under the age of 19 by January 1, 2002.

* Sec. 33. **Medicaid Cost Containment.** Appropriations to the Health and Human Services Commission shall be reduced by $174.1 million in General Revenue and an estimated $261.2 million in Federal Funds during the 2002–03 biennium for items "a" through "m" below due to cost-containment and savings mechanisms to be implemented by the Health and Human Services Commission. Appropriations to agencies identified in Chapter 531 of the Government Code shall be reduced by $30.9 million in General Revenue and an estimated $13.7 million in Federal Funds during the 2002–03 biennium for items "o" through "q" below due to cost-containment and savings mechanisms to be implemented by the Health and Human Services Commission. Cost-containment and savings initiatives include, but are not limited to, initiatives outlined in Senate Bill 1156* or similar legislation and the following items proposed by the Commissioner of Health and Human Services:

a. Statewide rollout for TANF population (unlimited prescriptions) ($17.9 million in General Revenue);
b. Require SSI population to participate in STAR ($6.1 million in General Revenue);
c. Establish a case-management program for complex cases ($3.0 million in General Revenue);
d. Selective contracting in urban areas for inpatient services ($24.5 million in General Revenue);
e. Move from current formula for drug pricing in Medicaid to a "best price" structure ($22.0 million in General Revenue);
f. Require supplemental rebates in selected therapeutic categories ($14.0 million in General Revenue);
g. Reduce outlier payment percentage ($6.1 million in General Revenue);
h. Competitive pricing for medical equipment and supplies ($7.3 million in General Revenue);
i. Vision care ($1.0 million in General Revenue);

*Senate Bill 1156 was vetoed. See Veto Proclamation.

j. Expand Health Insurance Premium Payments System (HIPPS) ($3.2 million in General Revenue);
k. Establish sliding-scale copayments ($3.0 million in General Revenue);
l. Use the Title XIX Trust Fund balance ($60.0 million in General Revenue);
m. Increase utilization review activities through Pharmacy Benefit Managers or in-house function ($6.0 million in General Revenue);
n. Pilot automatic dispensing machines in nursing facilities ($3.2 million in General Revenue);
o. Savings due to Children's Health Insurance Program ($18.8 million in General Revenue);
p. Lowest contract price/Medicaid pricing for all retail purchases ($3.0 million in General Revenue);
q. Medicaid waiver for psychotropic medications ($5.9 million in General Revenue).

The Health and Human Services Commission shall identify the agencies, strategies, and mechanisms used to achieve the reductions, timeline for achieving the reductions, and impact to performance measures and full-time-equivalent positions by May 1, 2002, in a report to the Legislative Budget Board and the Governor. Reductions totaling $205 million in General Revenue and an estimated $274.9 million in Federal Funds shall be made to the Health and Human Services Commission and other agencies by August 31, 2003. All reductions shall be documented in agencies' Legislative Appropriations Requests and adjustments included in reported expenditures for the 2002–03 biennium to the Seventy-eighth Legislature.

Sec. 34. **Legislative Intent - Medicaid Transfers.** Funds appropriated by this Act for the Medicaid program shall be expended for the purposes for which they are appropriated. In the event that a determination must be made regarding the allocation of funds in the appropriation patterns between the Department of Health and the Health and Human Services Commission for the Medicaid program, the Comptroller of Public Accounts is authorized to seek clarification from the Legislative Budget Board and to make adjustments as necessary, subject to the notification of and approval by the Legislative Budget Board.

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Department on Aging	$ 7,536,221	$ 7,536,221
Rider Appropriations	195,000	195,000
Total	7,731,221	7,731,221
Commission on Alcohol and Drug Abuse	27,299,576	27,299,577
Commission for the Blind	11,278,655	11,268,181
Rider Appropriations	221,095	0
Total	11,499,750	11,268,181
Cancer Council	4,028,844	4,028,844
Commission for the Deaf and Hard of Hearing	1,017,926	1,017,926
Rider Appropriations	110,000	(110,000)
Total	1,127,926	907,926
Interagency Council on Early Childhood Intervention	35,641,059	35,641,059
Department of Health	410,149,638	410,465,832
Health and Human Services Commission	2,901,737,840	2,918,437,685
Department of Human Services	1,684,456,534	1,617,402,744
Contingency Appropriations	7,100,000	7,100,000
Total	1,691,556,534	1,624,502,744
Department of Mental Health and Mental Retardation	1,079,128,057	1,074,892,138
Rider Appropriations	5,162,496	5,162,496
Total	1,084,290,553	1,080,054,634
Department of Protective and Regulatory Services	241,454,612	253,210,453
Rider Appropriations	4,100,000	4,100,000
Total	245,554,612	257,310,453
Rehabilitation Commission	42,818,602	43,042,931
Subtotal, Health and Human Services	$ 6,463,436,155	$ 6,420,691,087

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue)
(Continued)

Retirement and Group Insurance	169,713,154	185,314,012
Social Security and Benefit Replacement Pay	69,740,978	68,747,685
Subtotal, Employee Benefits	$ 239,454,132	$ 254,061,697
Bond Debt Service Payments	15,803,425	17,096,798
Lease Payments	7,061,439	7,067,769
Subtotal, Debt Service	$ 22,864,864	$ 24,164,567
Article II, Special Provisions, Rider Appropriations	(10,000,000)	(205,000,000)
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	$ 6,715,755,151	$ 6,493,917,351

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Commission for the Blind	$ 1,487,544	$ 1,487,544
Children's Trust Fund of Texas Council	1,778,631	1,778,631
Department of Health	227,237,667	232,235,324
Department of Human Services	17,559,343	17,559,343
Department of Protective and Regulatory Services	15,982,709	15,982,709
Rehabilitation Commission	10,538,883	10,538,883
Subtotal, Health and Human Services	$ 274,584,777	$ 279,582,434
Retirement and Group Insurance	2,228,906	2,435,613
Social Security and Benefit Replacement Pay	1,153,107	1,155,307
Subtotal, Employee Benefits	$ 3,382,013	$ 3,590,920
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	$ 277,966,790	$ 283,173,354

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department on Aging	$ 61,645,639	$ 62,681,944
Commission on Alcohol and Drug Abuse	140,142,703	140,142,703
Commission for the Blind	34,151,664	34,027,885
Interagency Council on Early Childhood Intervention	61,454,435	54,887,306
Department of Health	790,525,957	807,580,111
Health and Human Services Commission	5,033,506,594	4,974,186,726
Department of Human Services	2,895,764,161	2,742,938,474
Contingency Appropriations	10,739,196	10,685,571
Total	2,906,503,357	2,753,624,045
Department of Mental Health and Mental Retardation	726,040,827	726,468,989
Rider Appropriations	3,441,664	3,441,664
Contingency Appropriations	100,000	100,000
Total	729,582,491	730,010,653
Department of Protective and Regulatory Services	485,341,497	500,886,884
Rider Appropriations	1,750,000	1,750,000
Contingency Appropriations	2,500,000	2,500,000
Total	489,591,497	505,136,884
Rehabilitation Commission	226,425,338	226,710,269
Subtotal, Health and Human Services	$ 10,473,529,675	$ 10,288,988,526
Retirement and Group Insurance	175,955,246	196,605,237
Social Security and Benefit Replacement Pay	64,887,032	66,056,239
Subtotal, Employee Benefits	$ 240,842,278	$ 262,661,476
Bond Debt Service Payments	2,362,984	2,361,154
Subtotal, Debt Service	$ 2,362,984	$ 2,361,154
Article II, Special Provisions, Rider Appropriations	0	(274,900,000)
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	$ 10,716,734,937	$ 10,279,111,156

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Commission on Alcohol and Drug Abuse	$ 8,244,037	$ 8,249,000
Commission for the Blind	279,380	320,904
Children's Trust Fund of Texas Council	100,000	100,000
Commission for the Deaf and Hard of Hearing	1,229,240	1,263,240
Rider Appropriations	100,000	0
Total	1,329,240	1,263,240
Interagency Council on Early Childhood Intervention	5,118,711	11,353,379
Department of Health	55,355,371	21,543,169
Health and Human Services Commission	16,897,508	16,811,243
Department of Human Services	67,307,026	30,900,115
Department of Mental Health and Mental Retardation	54,950,077	54,828,418
Department of Protective and Regulatory Services	16,745,555	16,744,162
Rider Appropriations	125,000	0
Total	16,870,555	16,744,162
Rehabilitation Commission	589,831	589,831
Subtotal, Health and Human Services	$ 227,041,736	$ 162,703,461
Retirement and Group Insurance	3,940,486	4,059,630
Social Security and Benefit Replacement Pay	1,038,242	1,040,192
Subtotal, Employee Benefits	$ 4,978,728	$ 5,099,822
Bond Debt Service Payments	553,850	554,090
Subtotal, Debt Service	$ 553,850	$ 554,090
Less Interagency Contracts	$ 86,017,597	$ 91,995,313
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	$ 146,556,717	$ 76,362,060

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department on Aging	$ 69,181,860	$ 70,218,165
Rider Appropriations	195,000	195,000
Total	69,376,860	70,413,165
Commission on Alcohol and Drug Abuse	175,686,316	175,691,280
Commission for the Blind	47,197,243	47,104,514
Rider Appropriations	221,095	0
Total	47,418,338	47,104,514
Cancer Council	4,028,844	4,028,844
Children's Trust Fund of Texas Council	1,878,631	1,878,631
Commission for the Deaf and Hard of Hearing	2,247,166	2,281,166
Rider Appropriations	210,000	(110,000)
Total	2,457,166	2,171,166
Interagency Council on Early Childhood Intervention	102,214,205	101,881,744
Department of Health	1,483,268,633	1,471,824,436
Health and Human Services Commission	7,952,141,942	7,909,435,654
Department of Human Services	4,665,087,064	4,408,800,676
Contingency Appropriations	17,839,196	17,785,571
Total	4,682,926,260	4,426,586,247
Department of Mental Health and Mental Retardation	1,860,118,961	1,856,189,545
Rider Appropriations	8,604,160	8,604,160
Contingency Appropriations	100,000	100,000
Total	1,868,823,121	1,864,893,705
Department of Protective and Regulatory Services	759,524,373	786,824,208
Rider Appropriations	5,975,000	5,850,000
Contingency Appropriations	2,500,000	2,500,000
Total	767,999,373	795,174,208
Rehabilitation Commission	280,372,654	280,881,914
Subtotal, Health and Human Services	$ 17,438,592,343	$ 17,151,965,508

RECAPITULATION - ARTICLE II
HEALTH AND HUMAN SERVICES
(All Funds)
(Continued)

Retirement and Group Insurance	351,837,792	388,414,492
Social Security and Benefit Replacement Pay	136,819,359	136,999,423
Subtotal, Employee Benefits	$ 488,657,151	$ 525,413,915
Bond Debt Service Payments	18,720,259	20,012,042
Lease Payments	7,061,439	7,067,769
Subtotal, Debt Service	$ 25,781,698	$ 27,079,811
Article II, Special Provisions, Rider Appropriations	(10,000,000)	(479,900,000)
Less Interagency Contracts	$ 86,017,597	$ 91,995,313
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	$ 17,857,013,595	$ 17,132,563,921
Number of Full-Time-Equivalent Positions (FTE)	50,855.4	50,923.4

ARTICLE III

EDUCATION

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

TEXAS EDUCATION AGENCY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: STANDARDS OF ACHIEVEMENT AND EQUITY The Texas Education Agency will build the capacity of the state public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies by developing and communicating standards of student achievement and district and campus accountability and disbursing foundation program school funds.		
Outcome (Results/Impact):		
Percent of Students Whose Assessment Results Are Included in the Accountability System	88%	92%
Percent of Students Passing All Tests Taken	85%	85%
Percent of Students Who Drop out of the Public School System Between the Ninth and the Twelfth Grades	8.1%	8.1%
Percent of Special Education Students Who Are Tested and Included in the Accountability System	90%	90%
Percent of Limited English-proficient Students Who Are Tested and Included in the Accountability System	75%	75%
Percent of African-American Students Passing All Tests Taken	80%	80%
Percent of Hispanic Students Passing All Tests Taken	80%	80%
Percent of White Students Passing All Tests Taken	94%	94%
Percent of Asian-American Students Passing All Tests Taken	94%	94%
Percent of Native American Students Passing All Tests Taken	88%	88%
Percent of Economically Disadvantaged Students Passing All Tests Taken	78%	78%
Percent of Economically Disadvantaged Students Completing High School	88%	88%
Percent of Students Completing High School	91.9%	91.9%
Annual Statewide Dropout Rate for All Students	1.6%	1.6%
Percent of Annual Unaccounted Student Withdrawals	1.1%	1%
Percent of Students Reading at Grade Level (3rd Grade Only)	93%	95%
Percent of Students Passing TAAS Reading	93%	93%
Percent of Students Passing TAAS Mathematics	90%	90%
Percent of Districts Rated Exemplary or Recognized	30.5%	30.5%
Percent of Campuses Rated Exemplary or Recognized	46.7%	46.7%
Percent of Equalized Revenue in the Foundation School Program	98%	98%
Percent of Students in Districts with Substantially Equal Access to Revenues	85%	85%
* Percent of Teachers Participating in the Student Success Initiative Teacher Reading Academies	80%	85%
Percent of High-need Campuses That Receive a Master Reading Teacher Grant	50%	75%

*Modified per House Bill 2879.

	A.1.1. Strategy: ASSESSMENT The state's assessment system will continue to provide a basis for evaluating and reporting the extent to which an increasing share of the students in the Texas educational system are achieving state goals for student performance.	$	55,934,483	$	53,434,483
*	**A.1.2. Strategy:** ACCOUNTABILITY SYSTEM Build the capacity of the state public education system by developing and implementing standards of district and campus accountability for the achievement of all students.	$	0	$	0
**	**A.2.1. Strategy:** FSP-EQUALIZED OPERATIONS Operate an efficient and equitable school finance system, disburse Foundation School Program formula funding to school districts and charter schools, and ensure that formula allocations are accounted for in an accurate and appropriate manner.	$	9,524,200,000	$	10,355,039,000
	Output (Volume):				
	Total Average Daily Attendance (ADA)		3,835,159		3,901,634
	Number of Students Served by Compensatory Education Programs and Services		1,615,000		1,647,000
	Explanatory:				
	Special Education Full-time Equivalents (FTEs)		168,606		171,644
	Compensatory Education Average Daily Attendance		2,033,990		2,060,371
	Career and Technology Education Full-time Equivalents (FTEs)		167,422		174,091
	Bilingual Education/English as a Second Language Average Daily Attendance		470,053		500,784
	Gifted and Talented Average Daily Attendance		196,100		199,717
*	**A.2.2. Strategy:** FSP-EQUALIZED FACILITIES Operate an equalized school facilities program by ensuring the allocation of a guaranteed yield of existing debt and disbursing facilities funds.	$	759,600,000	$	695,000,000
	Output (Volume):				
*	Number of Districts Receiving IFA		400		400
*	Total Amount of State and Local Funds Allocated for Debt For Facilities (Billions)		1.95		1.95
	A.3.1. Strategy: INSTRUCTIONAL MATERIALS Provide students equitable access to instructional materials and technologies supporting the state's Essential Knowledge and Skills.	$	684,166,000	$	116,000,000 & UB
	Output (Volume):				
	Number of Textbooks and Digital Content Purchased from Conforming Lists		8,883,450		4,411,277
	Number of Textbooks and Digital Content Purchased from Nonconforming Lists		467,550		232,173
	Efficiencies:				
	Average Cost Per Textbook and Digital Content Purchased		39.47		41.78
	A.3.2. Strategy: TECHNOLOGY Support the implementation, maintenance and expansion of a statewide technological infrastructure for education including the Internet; increase access to educational data; encourage school districts to plan for and implement technologies that increase the effectiveness of student learning, instructional management, professional development, and administration; and integrate	$	45,540,096	$	45,540,096

*Modified per House Bill 2879.
**Modified per House Bill 2879 and House Bill 3343.

	technology into the curriculum in relation to the technology applications TEKS.		
	Output (Volume):		
	Number of Students Receiving Course Credit through Distance Learning	4,200	4,500
	A.3.3. Strategy: IMPROVING EDUCATOR PERFORMANCE	$ 68,677,243	$ 71,323,043
	Continue to ensure teachers in grades K-12 have access to quality reading instruction training; develop and implement professional development initiatives that encourage collaboration between K-12 and higher education and ensure all educators access to training and evaluation tied to the Texas Essential Knowledge and Skills.		
	Output (Volume):		
	Number of Teachers Who Participate in Mathcounts Training	343	343
*	**Total, Goal A:** STANDARDS OF ACHIEVEMENT AND EQUITY	$ 11,138,117,822	$ 11,336,336,622
	B. Goal: LOCAL EXCELLENCE AND ACHIEVEMENT		
	The state public education system will foster local innovation, support local authority, and encourage regional, district, and university efforts to ensure that each student performs at grade level; demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies; and attains sufficient secondary credit to graduate on time.		
	Outcome (Results/Impact):		
	Percent of Eligible Students Taking Advanced Placement/International Baccalaureate Exams	17%	18%
	Percentage of AP/IB Exams Taken on Which the Score Qualifies for College Credit or Advanced Placement	55%	57%
	Percent of Students Graduating under the Recommended or Distinguished Achievement High School Program	48%	48%
	Percent of Students Retained in Grade	4.2%	4.2%
	Percent of Students Exiting Bilingual/English as a Second Language Progams Successfully	75%	76%
	Percent of Students Participating in the Ninth Grade Basic Skills Program Who Attain Sufficient Credit to Advance to Grade Ten	80%	85%
	Percent of Students Participating in the Texas Reading Initiative Demonstrating Progress in Reading Development	76%	78%
	Percent of Districts Receiving After-School Initiative Funds Which Demonstrate a Decrease in DAEP Referrals	90%	90%
	Percent of DAEPs Meeting All Accountability Standards	67%	67%
	Percent of Students with Auditory Impairment in Regional Day Schools for the Deaf Who Graduate from High School	87%	87%
	Percent of Students with Disabilities Who Complete High School	83%	83%
	Percent of Adult Learners Who Complete the Level in Which They Are Enrolled	47%	49%
	Percent of Parents Participating in AVANCE Programs Who Complete the Adult Education Level at Which They Are Enrolled	47%	49%
	Percent of Incarcerated Students Who Complete the Level in Which They Are Enrolled	42%	44%
	Percent of Eligible Windham Inmates Who Have Been Served by a Windham Education Program During the Past Five Years	92%	93%
	Annual Drug Use and Violence Incident Rate on School Campuses, Per One Hundred Students	34.19	34.19
	Percent of Students in State-funded Optional Extended-year Programs Promoted to the Next Grade Level as a Result of the Programs	83%	85%

*Modified per House Bill 2879 and House Bill 3343.

Percent of Campuses Receiving Investment Capital Fund Grants Which Demonstrate Texas Learning Index Growth in Reading		50%		50%
Percent of Charter Schools Rated Low Performing		25%		25%
B.1.1. Strategy: ACADEMIC EXCELLENCE Build the capacity of school districts to plan and implement challenging academic, advanced academic, career and technology education, and bilingual/English as a second language education programs to ensure that all Texas students are prepared to gain entry level employment in a high-skill, high-wage job or continue their education at the postsecondary level.	$	126,892,546	$	129,892,545
Output (Volume):				
Number of Students in Tech-prep Programs		96,950		99,858
Number of Students Served in Summer School Programs for Limited English-proficient Students		40,000		42,000
* **B.1.2. Strategy:** STUDENT SUCCESS Build the capacity of school districts to ensure that all Texas students have the skills they need to succeed; that all third grade students read at grade level and continue to read at grade level; and that all secondary students have sufficient credit to advance and ultimately graduate on time with their class.	$	280,092,204	$	287,163,646
Output (Volume):				
Number of Students Participating in the Student Success Initiative Accelerated Reading Program		37,463		36,234
Number of Students Served by the Kindergarten and Prekindergarten Grant Programs		44,800		44,800
B.2.1. Strategy: ACHIEVEMENT OF STUDENTS AT RISK Build the capacity of school districts, regional education service centers, and service providers to develop and implement instructional support programs that ensure that students at risk attain the state's goal of exemplary performance and take full advantage of Texas' status as an Ed-Flex state.	$	1,020,663,307	$	1,028,043,307
Output (Volume):				
Number of Title I Campuses Rated Exemplary or Recognized		2,004		2,004
B.2.2. Strategy: STUDENTS WITH DISABILITIES Build the capacity of regional education service centers, school districts, and service providers to develop and implement programs that ensure students with disabilities attain the state's goals of exemplary academic performance.	$	571,578,925	$	584,113,593
Output (Volume):				
Number of Students Served by Regional Day Schools for the Deaf		4,446		4,446
Number of Students Served by Statewide Programs for the Visually Impaired		7,111		7,366
B.2.3. Strategy: SUPPORT PROGRAMS Build the capacity of the state public education system by developing and implementing the academic counseling and support service programs necessary for all students to demonstrate exemplary academic performance.	$	48,327,327	$	48,327,327

*Modified per House Bill 2879.

	Output (Volume):			
	Number of Pregnant Teens and Teen Parents Served by Teen Pregnancy and Parenting Programs	22,750		23,000
	Number of Districts Receiving After-school Initiative Funds	74		74
	B.2.4. Strategy: CHILD NUTRITION PROGRAMS Build the capacity of the state public education system by implementing and supporting efficient state child nutrition programs.	$ 823,099,207	$	871,699,207
	Output (Volume):			
	Average Number of School Lunches Served Daily	2,388,882		2,460,548
	Average Number of School Breakfasts Served Daily	991,474		1,050,962
	B.2.5. Strategy: ADULT EDUCATION AND FAMILY LITERACY Build the capacity of the state public education system by encouraging school districts and service providers to provide and be accountable for adult education and family literacy programs and improving the adult literacy rate.	$ 67,074,192	$	67,474,192
	Output (Volume):			
	Number of Students Served Through State Adult Education Cooperatives	180,000		185,000
	B.2.6. Strategy: SAFE SCHOOLS Enhance school safety and ensure that students in the Texas Youth Commission and disciplinary and juvenile justice alternative education programs are provided the instructional and support services needed to demonstrate exemplary performance in comparison to state and national academic standards in reading and the foundation subjects of English language arts, mathematics, science and social studies.	$ 63,068,387	$	63,700,100
	Output (Volume):			
	Number of Students in Disciplinary Alternative Education Programs (DAEPs)	132,000		134,000
	B.2.7. Strategy: WINDHAM SCHOOL DISTRICT Build the capacity of the Windham School District within the Texas Department of Criminal Justice by ensuring that students are provided effective instructional and support services.	$ 71,115,423	$	71,115,423
	Output (Volume):			
	Number of Contact Hours Received by Inmates Within the Windham School Dstrict	20,318,692		20,318,692
	Number of Offenders Passing General Education Development (GED) Tests	4,723		4,326
	Efficiencies:			
	Average Cost Per Contact Hour in the Windham School District	3.46		3.46
*	**B.3.1. Strategy:** REGIONAL TRAINING AND DEVELOPMENT The regional education service centers will facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support based on the needs and objectives of the school districts they serve.	$ 61,020,160	$	61,020,160
	Output (Volume):			
	Number of Educators Receiving Education Service Center (ESC) Based Training in Technology	126,000		128,000

*Modified per House Bill 2879.

	B.3.2. Strategy: DEREGULATION/SCHOOL RESTRUCTURING	$ 78,336,235	$ 78,873,235
	Encourage educators, parents, community members, and university faculty and personnel to increase involvement in education, improve student learning, and develop and implement programs that meet local needs and promote the successful integration of open enrollment charter schools into the Texas public education system.		
	Output (Volume):		
	Number of Students Served by State-funded Optional Extended-year Programs	237,905	249,695
	Total Average Daily Attendance (ADA) of Open-enrollment Charter Schools	40,500	49,000
	Explanatory:		
	Number of Open Enrollment Charter Schools	200	225
*	**Total, Goal B:** LOCAL EXCELLENCE AND ACHIEVEMENT	$ 3,211,267,913	$ 3,291,422,735
	C. Goal: TEXAS EDUCATION AGENCY OPERATIONS		
	The Texas Education Agency will fulfill its statutory responsibilities in building the capacity of the Texas public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.		
	Outcome (Results/Impact):		
	Percent of Districts Rated as High-risk in the Program Analysis System (PAS) the Prior Year That Improve Their Rating in the Current Year	77%	80%
	C.1.1. Strategy: ACCOUNTABILITY OPERATIONS	$ 13,208,419	$ 13,208,419
	Develop and implement standards of district and campus accountability for student achievement and financial performance of districts by conducting research, reporting results, and responding to districts and campuses not meeting state standards.		
	Output (Volume):		
	Number of Special Education Campuses and Programs Receiving Onsite Monitoring Visits	210	210
	Number of Complaint Investigations Conducted	1,635	1,669
	Number of Campuses Investigated for Exemption Rates	90	92
	Efficiencies:		
	Average Cost of Accreditation Onsite Review	11,500	11,500
*	**C.1.2. Strategy:** SCHOOL FINANCE SYSTEM OPERATIONS	$ 30,625,856	$ 30,325,856
	Efficiently manage the Foundation School Program and increase the principal value of the Permanent School Fund and the annual rate of deposit to the Available School Fund.		
	Output (Volume):		
	Amount of Growth in Permanent School Fund Book Value (Millions)	600	600
	Amount of Available School Fund Income (Millions)	752	788
	Amount of Recovered Average Daily Attendance (ADA) Funds (Millions)	5	5
	Efficiencies:		
	Number of Basis Points above the Median (Internal Managers)	100	100
	Number of Basis Points above the Median (External Managers)	120	120
	Percent Market Value Expended on External Management Expenses	.4%	.4%

*Modified per House Bill 2879.

	Explanatory:		
	Average Percent Equity Holdings in the Permanent School Fund (PSF)	65%	65%
	C.1.3. Strategy: IMPROVING INSTRUCTION OPERATIONS	$ 8,510,331	$ 8,510,331
	Provide equitable access to instructional materials for the state's foundation and enrichment curriculum; develop, communicate, and provide training in the state's Essential Knowledge and Skills; maintain and expand the technological capabilities of the public education system; and increase access to educational data.		
	Output (Volume):		
	Number of Sessions of Staff Development Delivered by Distance Learning (TETN, T-Star, Internet)	468	524
	C.2.1. Strategy: LOCAL AUTHORITY OPERATIONS	$ 6,514,927	$ 6,514,927
	Foster program and funding flexibility, support regional training and development at the education service centers, and encourage educators, parents, community members and university faculty and personnel to develop programs that increase involvement in education, improve student learning, and meet local needs.		
	C.2.2. Strategy: SPECIAL POPULATIONS OPERATIONS	$ 7,184,512	$ 7,184,512
	Support access by all students to instructional programs based on the state's essential knowledge and skills.		
	Output (Volume):		
	Number of Certificates of High School Equivalency (GED) Issued	43,650	40,000
*	**Total, Goal C:** TEXAS EDUCATION AGENCY OPERATIONS	$ 66,044,045	$ 65,744,045
	D. Goal: INDIRECT ADMINISTRATION		
	D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 10,142,675	$ 10,142,675
	D.1.2. Strategy: INFORMATION RESOURCES	$ 18,542,573	$ 18,542,573
	Total, Goal D: INDIRECT ADMINISTRATION	$ 28,685,248	$ 28,685,248
*	**Grand Total,** TEXAS EDUCATION AGENCY	$ 14,444,115,028	$ 14,722,188,650
	Method of Financing:		
	General Revenue Fund		
**	General Revenue Fund	$ 250,100,996	$ 262,718,239
	Available School Fund No. 002	866,601,184	1,498,401,184
	State Textbook Fund No. 003	687,181,938	119,015,938
**	Foundation School Fund No. 193	8,492,009,502	8,588,217,215
	GED Fees	677,550	677,550
	GR MOE for Temporary Assistance for Needy Families	2,000,000	2,000,000
	Earned Federal Funds	4,294,661	4,294,661
	Lottery Proceeds	807,000,000	799,000,000
**	Subtotal, General Revenue Fund	$ 11,109,865,831	$ 11,274,324,787

*Modified per House Bill 2879 and House Bill 3343.
**Modified Method of Financing.

	GR Dedicated - Read to Succeed Account No. 5027	5,325	5,325
	Federal Funds		
	Federal Health, Education and Welfare Fund No. 148	1,849,423,233	1,863,037,899
	Federal School Lunch Fund No. 171	810,982,039	859,382,039
	Federal Funds	6,100,000	6,500,000
	Subtotal, Federal Funds	$ 2,666,505,272	$ 2,728,919,938
	Other Funds		
	Telecommunications Infrastructure Fund No. 345	18,903,600	18,903,600
*	Appropriated Receipts - Attendance Credits, estimated	621,500,000	692,600,000
	Interagency Contracts	135,000	135,000
	Interagency Transfer (System Benefit Fund)	27,200,000	7,300,000
*	Subtotal, Other Funds	$ 667,738,600	$ 718,938,600
*	**Total, Method of Financing**	$ 14,444,115,028	$ 14,722,188,650
**	**Number of Full-Time-Equivalent Positions (FTE):**	858.5	860.5
	Schedule of Exempt Positions:		
	Commissioner, Group 6	$164,748	$164,748
	Supplemental Appropriations Made in Riders:	$ 592,068	$ 0

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

		2002	2003
	a. Acquisition of Information Resource Technologies		
	(1) Microcomputer Hardware/Software "Technology Refresh"	1,350,000	1,350,000
	(2) Network and Client Server Infrastructure	700,000	731,000
	(3) WTDROC Performance Enhancements - previously Data Center Equipment/Software	600,000	500,000
	(4) WTDROC Mainframe	2,427,105	2,548,460
	(5) PEIMS Quality Enhancements	801,000	500,000
	(6) Electronic Forms Project	100,000	100,000
	(7) Document Workflow and Management Pilot	250,000	250,000
	(8) Public Access Initiative	3,500,000	3,500,000
	(9) Texas Library Connection	$ 3,750,000	$ 4,000,000
***	(10) Foundation School Program Payment System	$ 300,000	$ 0
***	Total, Acquisition of Information Resource Technologies	$ 13,778,105	$ 13,479,460
***	Total, Capital Budget	$ 13,778,105	$ 13,479,460

*Modified Method of Financing.
**Modified per House Bill 2879 and House Bill 3343.
***Modified per House Bill 2879.

Method of Financing (Capital Budget):

*	General Revenue Fund	$	2,061,187	$	1,696,540
	Available School Fund No. 002		1,693,797		1,614,230
	State Textbook Fund No. 003		313,843		303,897
	Federal Health, Education and Welfare Fund No. 148		2,080,644		2,015,996
	Federal School Lunch Fund No. 171		255,085		247,626
	Foundation School Fund No. 193		334,923		324,977
	Telecommunications Infrastructure Fund No. 345		6,620,092		6,870,092
	GED Fees	75,028		72,542	
	Earned Federal Funds		343,506		333,560
*	Total, Method of Financing	$	13,778,105	$	13,479,460

** 2. **Chapter 42 *and 46* Formula Funding.** Out of the funds appropriated above, a total of *$10,450,100,000* in fiscal year 2002 and *$11,218,000,000* in fiscal year 2003 shall represent the sum-certain appropriation to the Foundation School Program under § 42.253 *and under Chapter 46* of the Texas Education Code. (The total appropriation may not exceed the sum-certain amount.) The Commissioner shall make allocations to local school districts under § 42.253 *and under Chapter 46* based on the March 2001 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the Final 2000 property values. Property values shall be increased by 6.01 percent for 2003, as estimated by the Comptroller of Public Accounts.

Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.2.1, Foundation School Program-Equalized Operations, and Strategy A.2.2, Foundation School Program-Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor's Office of any such transfers. The appropriations above in Strategy A.2.2, Foundation School Program-Equalized Facilities, include $50 million in each year of the biennium to support new grants under the Instructional Facilities Allotment.

3. **Transportation Cost Allotment.** Pursuant to § 42.155 of the Texas Education Code, the appropriation for funding regular transportation programs for the 2001–02 and 2002–03 school years shall be calculated on the following basis:

Linear Density Grouping	Allocation Per Mile of Approved Route
2.40 and above	$1.43
1.65 to 2.40	1.25
1.15 to 1.65	1.11
.90 to 1.15	.97
.65 to .90	.88
.40 to .65	.79
up to .40	.68

Pursuant to § 42.155 of the Texas Education Code, the maximum mileage rate for special education transportation shall be $1.08 per mile. Private transportation rates shall be $0.25 per mile or a maximum of $816 per pupil for both special education and isolated areas as defined in sub-sections 42.155(g) and 42.155(e).

4. **Education Service Centers.** The Commissioner shall furnish reports as required by § 8.102 of the Texas Education Code to the State Board of Education for transmittal, along with recommendations for change, modification, or improvement, to the Legislative Budget Board and the Governor's Budget and Planning Office. Regional Education Service Centers shall be prohibited from purchasing land and acquiring buildings without prior authorization from the Commissioner of Education.

5. **Windham Schools.** The funds appropriated above in Strategy B.2.7, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. The Commissioner of Education shall allocate funds to the Windham Schools based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2002–03 biennium are the following: $3.97558 for academic education, $3.24582 for vocational education.

*Modified Method of Financing.
**Italicized language added or modified per House Bill 2879.

6. **Windham School District Selection Criteria.** It is the intent of the Legislature that the Windham School District target its programs to serve those inmates whose participation will help achieve the goals of reduced recidivism and increased success of former inmates in obtaining and maintaining employment thereby reducing the cost of incarceration and providing an incentive to offenders to behave in positive ways during incarceration.

7. **Audit Adjustments.** When reviews and audits of allocations to school districts reveal the allocations previously made were greater or less than the amounts found to be due, the Texas Education Agency is authorized to recover or pay the sums necessary to adjust to the correct amounts. All such amounts recovered shall become a part of the Foundation School Fund or General Revenue Fund, and the amounts necessary to make such additional payments to the school districts are hereby appropriated from the Foundation School Fund or General Revenue Fund.

8. **State Textbook Fund.** Any amount expended for Textbook Administration, including new textbooks, rebinding, and other related expenses, shall be paid out of the State Textbook Fund. A transfer of funds from the Available School Fund to the State Textbook Fund is authorized in an amount which, together with other revenues of the State Textbook Fund, is sufficient to finance the sum-certain appropriation from the State Textbook Fund for each fiscal year, including a $30 per student technology allotment as provided for in § 31.021(b)(2) of the Texas Education Code. Penalties assessed by the State Board of Education shall be deposited to the credit of the Textbook Fund. Notwithstanding the limitations in Rider 39, the agency may transfer and expend such funds on textbook administration in an amount not to exceed $200,000 in each year of the biennium from Strategy A.3.1, Instructional Materials, to Strategy C.1.3, Improving Instruction Operations.

9. **Day-care Expenditures.** It is expressly provided that the pre-school day care programs, such as the Early Childhood Program for Educationally Disadvantaged Children and Special Education and Training for Pre-School Children with Disabilities administered by the Texas Education Agency, are day-care programs. The funds expended in those programs on behalf of children meeting eligibility requirements in accordance with interagency contracts with the Texas Education Agency under the day care program of the Social Security Act shall be considered as expenditures for day care.

10. **Loss Due to Property Value Decline.**

* a. The Commissioner of Education is authorized to distribute no more than $26,000,000 in each fiscal year under § 42.2521 of the Texas Education Code, to the extent that excess funds are available under the Foundation School Program, *subject to Section 14 of House Bill 2879, Acts of the Seventy-seventh Legislature, Regular Session, 2001.*

It is the intent of the Legislature that, in expending these funds by making adjustments in the local share under § 42.2521, that the Commissioner shall consider only the amount of property value decline in each school district that is in excess of 4 percent in taxable values.

b. Except as expressly provided by this rider, and notwithstanding the limitations in Rider 39, Limitation: Transfer Authority, none of the funds in this rider may be expended for any other purpose.

11. **Grants for Education Service Centers.** From the general revenue related funds appropriated in Strategy B.3.1, Regional Training and Development, no more than $1,480,950 in each fiscal year is allocated for distribution as competitive grants for regional education service centers for innovative regional strategies or programs and emergency grants to small and isolated school districts for core services under § 8.124 of the Texas Education Code.

*Italicized language added per House Bill 2879.

12. **Training Programs for School Personnel and Parents of Students with Autism.** It is the intent of the Legislature that the Texas Education Agency continue to implement a program of staff development for school personnel and parents of students with autism. A sum not to exceed $50,000 in each fiscal year shall be expended for this purpose.

13. **Student Testing Program.** In accordance with the provisions of § 42.152 and Chapter 39, Subchapter B of the Texas Education Code, the funds appropriated from the Foundation School Fund for the compensatory education allotment may be used to cover the cost of preparing, administering and grading assessment instruments in the student testing program. The expenditure of such funds shall not be subject to the limitation in Rider 39, Limitation: Transfer Authority.

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

    a. Educational Technology Advisory Committee
    b. Environmental Education Advisory Committee
    c. Investment Advisory Committee on the Permanent School Fund
    d. State Textbook Committee
    e. Charter School Application Review Committee
    f. Title 1, Committee of Practitioners
    g. Continuing Advisory Committee for Special Education
    h. Ed Flex State Panel
    i. Academics 2000 State Panel
    j. Adult Education Accountability Task Force
* *k. Communities in Schools Advisory Committee*

    None of the funds appropriated in this Act may be used to reimburse any other advisory committee of the Texas Education Agency unless the Commissioner of Education notifies the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board in writing that a specific advisory committee is essential to the mission of the Texas Education Agency pursuant to Texas Education Code § 7.055(b)(11).

15. **Vacation Leave for Commissioner of Education.** Notwithstanding any provision of the General Appropriations Act to the contrary, the Commissioner of Education is entitled to accrue and carry forward vacation leave at the highest rate authorized for employees by the General Provisions of this Act.

16. **Limits on Allocations and Expenditures.** The Commissioner of Education is authorized to transfer any of the funds appropriated for agency operations to the Regional Education Service Centers for purposes deemed appropriate by the Commissioner. The Commissioner shall submit to the Governor's Budget and Planning Office and Legislative Budget Board for its review a summary of the services to be transferred and the funding level associated with the proposed transfer. No funds appropriated to Regional Education Service Centers or to school districts may be used to hire a registered lobbyist. The Comptroller of Public Accounts is hereby authorized to reduce allocations to Regional Education Service Centers in an amount equal to amounts transferred, above the Fund 193 amounts identified in Strategy B.3.1, Regional Training and Development, from the Foundation School Program to Regional Education Service Centers.

17. **Regional Day Schools for the Deaf.** Funds appropriated above for Regional Day Schools for the Deaf shall be allocated on a weighted full time equivalent basis. Notwithstanding other provisions of this Act, if the allocations total more than $33,133,200 in each year, the commissioner shall transfer sufficient amounts from other available funds to provide the full allocation.

*Italicized language added per House Bill 2879.

18. **Summer School for Children with Limited English Proficiency.** Out of funds appropriated for Strategy B.1.1, Academic Excellence, $3,800,000 in each fiscal year is allocated for summer school programs for children with limited English proficiency as authorized under § 29.060 of the Texas Education Code.

19. **Engineering and Science Recruitment Fund.** Out of funds appropriated for Strategy B.1.1, Academic Excellence, $394,920 in each fiscal year is allocated to the Engineering Science Recruitment Fund for programs outlined in Subchapter M of Chapter 51 of the Texas Education Code.

20. **Statewide Programs for Students Who Are Visually Impaired.** Out of funds appropriated for Strategy B.2.2, Students with Disabilities, $6,005,267 in each fiscal year is allocated for statewide programs for students who are visually impaired as authorized under § 30.002 of the Texas Education Code.

21. **Noneducational Community-based Support Services.** Out of funds appropriated for Strategy B.2.2, Students with Disabilities, $987,300 in each fiscal year is allocated for noneducational community-based support services for certain students with disabilities as authorized under § 29.013 of the Texas Education Code.

22. **Professional Staff Development for Serving Students with Disabilities in Integrated Settings.** Out of the federal discretionary funds awarded to the Texas Education Agency through the Individuals with Disabilities Education Act (IDEA), Part B and appropriated above, the Commissioner shall set aside 10.5 percent during the biennium to fund capacity building projects, including follow-up staff development and support, for school districts to serve students with disabilities in integrated settings.

23. **Long Range Plan for Technology.** Out of funds appropriated from the Telecommunications Infrastructure Fund in Strategy A.3.2, Technology, and Strategy B.3.1, Regional Training and Development, the Commissioner shall allocate an amount not to exceed $14,600,000 in each fiscal year for implementation of the Long Range Plan for Technology as provided by § 32.001, Texas Education Code.

24. **Appropriation for State Schools.** Out of General Revenue related funds appropriated above in Strategy B.2.2, Students with Disabilities, an amount not to exceed $110,000 in each fiscal year is allocated for payments to state operated schools under §§ 30.025 and 30.056 of the Texas Education Code.

25. **Estimated Appropriation for Incentive Aid.** Out of General Revenue related funds appropriated above in Strategy B.3.2, Deregulation and School Restructuring, an estimated amount of $600,000 in each fiscal year is allocated for incentive aid payments under Subchapter G of Chapter 13 of the Texas Education Code.

26. **Payments to Texas School for the Blind and Visually Impaired and Texas School for the Deaf.** Pursuant to § 30.003(g) of the Texas Education Code, the State Board of Education shall adopt rules that ensure that all local school districts whose students are placed at the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall share in the cost of each student's education as required by § 30.003(a). It is the intent of the Legislature that school districts subject to Chapter 41, Texas Education Code, reimburse the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf from the General Operating Fund of those districts within 60 days of receipt of a voucher from the receiving school.

27. **Notification of Changed Accreditation Status.** At the time a school district is notified of a change in its accreditation status, the Texas Education Agency shall also notify the State Senators and Representatives that represent the affected school district.

28. **Permanent School Fund.** In its annual report on the Permanent School Fund, completed by February 28 of each year, the Texas Education Agency shall report on the actual and projected costs of administering the Permanent School Fund for the year covered by the report and the following three years.

29. **Texas Advanced Placement Incentive Program.** Notwithstanding appropriations otherwise made by this Act to the Foundation School Program, $1,000,000 of the appropriations made for gifted and talented education in each year of the biennium is transferred and reappropriated to the Texas Education Agency for both the pre–Advanced Placement/International Baccalaureate activities and for the Texas Advanced Placement Incentive Program for the 2002–03 fiscal biennium. In addition, out of the funds appropriated above in Strategy B.1.1, Academic Excellence, $14,500,000 in fiscal year 2002 and $17,500,000 in fiscal year 2003 is allocated for both the pre-Advanced Placement/International Baccalaureate activities and for the Advanced Placement Incentive Program. The expenditure of such funds shall not be subject to the limitations in Rider 39, Limitation: Transfer Authority. The AP/IB program is also supported by an estimated $13,000,000 in textbook expenditures.

    For funds allocated by this rider that are used for teacher training, the Texas Education Agency shall give funding priority to teachers at public school campuses that do not offer Advanced Placement/International Baccalaureate courses.

    It shall be the goal of the Texas Education Agency that Advanced Placement/International Baccalaureate courses are available at as many public school campuses as possible, without regard to the rural/urban status of the campus and the socioeconomic characteristics of its students.

30. **Communities in Schools.** Out of the funds appropriated above for Strategy B.2.3, Support Programs, $12,788,865 shall be set aside out of State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Department of Protective and Regulatory Services for the Communities in Schools Program.

31. **Investment Capital Fund.** Out of funds appropriated above in Strategy B.3.2, Deregulation and School Restructuring, the Commissioner shall allocate an amount not less than $7,000,000 in each year of the biennium to the Investment Capital Fund. Of that total, $4,000,000 in each year shall be set aside from State Compensatory Education Funds and $3,000,000 in each year shall be allocated directly from the Foundation School Program. Grants made pursuant to this rider are subject to the provisions contained in § 7.024 of the Texas Education Code, and grants may only be made to entities that meet the criteria set forth in that section. Subject to Texas Education Code § 7.024, eligible entities may include, but are not limited to, the Alliance Schools, AVANCE, Do Something, and Communities in Schools. Any unexpended balances in fiscal year 2002 are appropriated for fiscal year 2003.

32. **Extended Year Programs.** Out of Foundation School Program Compensatory Education Funds appropriated in Strategy B.3.2, Deregulation and School Restructuring, the commissioner shall distribute an amount not to exceed $57,883,000 in 2002 and $58,420,000 in 2003 to finance extended year programs under § 42.152(p), Texas Education Code.

33. **MATHCOUNTS.** Out of Foundation School Program Gifted and Talented Education Funds appropriated in Strategy A.3.3, Improving Educator Performance, the Commissioner shall set aside $200,000 in each year of the biennium for the MATHCOUNTS program.

34. **Allocation of Funds to South Texas Independent School District.** Out of funds appropriated above for Strategy A.2.1, FSP - Equalized Operations, the Commissioner of Education shall withhold an amount sufficient to provide the South Texas Independent School District with adequate access to funding under Tier 2 of the Foundation School Program. The Commissioner

shall adjust payments to the South Texas Independent School District to equal an amount to which the district would be entitled at the average effective tax rate in other school districts in Cameron County less the tax rate set by the district itself.

35. **Appropriation of Settle-Up Funds.** All funds received from local school districts as recovery for overpayment pursuant to the provisions of § 42.258 of the Texas Education Code are hereby appropriated to the Texas Education Agency for distribution to local school districts for foundation school program purposes.

36. **Appropriation of Attendance Credit Revenues.** All unexpended balances and all funds received from the payment of school districts for attendance credits in excess of the amounts appropriated above pursuant to the provisions of § 41.094 of the Texas Education Code, are hereby appropriated to the Texas Education Agency for distribution to school districts for foundation school program purposes.

37. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that, for the following fee-supported programs, fees, fines, and other miscellaneous revenues as authorized and generated by the Texas Education Agency cover, at a minimum, the cost of the appropriations made to support the programs, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $402,240 in fiscal year 2002 and $425,262 in fiscal year 2003 including employee matching costs and other indirect operating costs:

Guaranteed Program for School District Bonds
General Education Development (GED)
Driver Training
Motor Vehicle Registration Fees (Read to Succeed License Plates)

All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate are hereby appropriated to the Texas Education Agency.

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

38. **Permanent School Fund: External Management Fees.** Contingent on the State Board of Education adopting asset allocation and investment policies for the Permanent School Fund that produce income to the Available School Fund for support of appropriations above for Strategies A.2.1, FSP - Equalized Operations and C.1.2, School Finance System Operations, in excess of the amounts estimated in the Biennial Revenue Estimate prepared by the Comptroller of Public Accounts for the 2002–03 biennium, additional income projected by the Board for the Available School Fund from Permanent School Fund investments is appropriated to Strategy C.1.2, School Finance System Operations, for expenditure for internal costs and fees for external management of Permanent School Fund assets.

The additional amounts appropriated for external management costs may not exceed .5 percent of market value of funds placed with external managers and may not be transferred to any other strategy within Goal C, Texas Education Agency Operations, or to Goal D, Indirect Administration. The amounts appropriated shall be made available for expenditure on a quarterly basis. Appropriations for external management costs may only be expended if the Board awards contracts for external management services on an open, formal request for proposal process which gives consideration to both performance and price.

39. **Limitation: Transfer Authority.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Standards of Achievement and Equity and Goal B, Local Excellence and Achievement, may be transferred to Goal C, Texas Education Agency Operations, or Goal D, Indirect Administration.

    None of the funds appropriated to the Texas Education Agency for the purpose of funding the Foundation School Program under Chapter 42, Texas Education Code, may be transferred to any other item of appropriation or expended for any other purpose unless the Commissioner of Education provides written notice to the Legislative Budget Board and to the Governor of intent to transfer such funds at least fourteen days prior to the execution of the transfer. Such transfers from the Foundation School Program to other items of appropriation shall not exceed $10 million in each fiscal year of the 2002–03 biennium. Any unexpended and unencumbered balances remaining after the last day of a fiscal year in any of the appropriations made for a purpose described by this provision shall lapse and accrue to the benefit of the unappropriated balance of the General Revenue Fund after taking into account the "settle-up" provision found in § 42.253 (i), Texas Education Code.

    To the extent necessary to avoid reductions in state aid as authorized by § 42.253(h), Texas Education Code, and to the extent necessary to make adjustments authorized under § 42.252(e), Texas Education Code, the Commissioner of Education is authorized to transfer Foundation School Program funds from fiscal year 2003 to fiscal year 2002. Such transfers are subject to prior approval by the Governor and the Legislative Budget Board. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section. Such transfers shall not exceed $150 million.

40. **Additional Funding Sources.** If the appropriations provided by this Act for the Foundation School Program are not sufficient to provide for expenditures for enrollment growth, district tax rate or taxable value of property, after accounting for any other appropriations made to the TEA and available for transfer for this purpose, the Legislative Budget Board and the Governor's Office of Budget and Planning may provide for, and are hereby authorized to direct, the transfer of sufficient amounts of funds to the TEA from appropriations made elsewhere in this Act.

41. **Reduction in Districts Tier One Allotment.** To fund appropriations for programs from compensatory education allotments, the Commissioner of Education shall reduce each district’s tier one allotment. The reductions shall be made in the same manner as described for a reduction in allotments under § 42.253, Education Code, and the Commissioner shall allocate funds to each district accordingly.

42. **Disciplinary Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.6, Safe Schools, there is hereby allocated the amount of $18,000,000 for each year of the biennium for safe schools programs under Texas Education Code § 37.008.

43. **Funding for Juvenile Justice Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.6, Safe Schools, $7,500,000 in 2002 and $7,500,000 in 2003 shall be set aside from the Compensatory Education Allotment in each year and transferred to the Juvenile Probation Commission for the support of Juvenile Justice Alternative Education Programs. This set-aside shall not effect the calculation of the number of students in weighted average daily attendance under Texas Education Code § 42.302.

44. **FSP Funding for the Texas Youth Commission.** Out of the funds appropriated above in Strategy B.2.6, Safe Schools, the Texas Education Agency shall allocate to the Texas Youth Commission the basic allotment of the Foundation School Program minus the amounts allocated to the Commission pursuant to Texas Education Code § 30.102 (a) for each student in average daily attendance. These amounts are estimated to be $10,586,901 in fiscal year 2002

and $11,218,614 in fiscal year 2003. This transfer shall not be subject to the limitation in Rider 39, Limitation: Transfer Authority.

* 45. **Successful Schools Award Program.** Out of the funds appropriated above in Strategy A.1.2, Accountability System, $2,500,000 in 2002 is allocated for the Successful Schools Award Program pursuant to § 39.091 et seq, of the Texas Education Code. Of this amount, $500,000 in each year shall be awarded based upon criteria designed to recognize effective and innovative approaches to increasing the number of parents or guardians attending parent-teacher conferences.

46. **Early Childhood Education and Care Coordination.** It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes but is not limited to participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

47. **Programs for Parents.** It is the intent of the Legislature that the Texas Education Agency encourage parents of at-risk children to participate in parenting programs including but not limited to the home instruction program for pre-school youngsters, parents as teachers, Texas A&M Agricultural Extension Parenting Programs, and other parenting programs available in their communities. The Texas Education Agency shall utilize funds from Strategy B.2.3, Support Programs for this purpose.

** 48. **Guaranteed Yield Level.** In accordance with Chapter 42, Subchapter F, Texas Education Code, Guaranteed Yield Program (Tier Two), § 42.302, the guaranteed level per weighted student per cent of tax effort is hereby set at *$25.81 in 2002 and $27.14 in 2003.*

49. **Regional Education Service Center Dyslexia and Related Disorders Coordinators.** It is the intent of the Legislature that each Regional Education Service Center establish a coordinator for dyslexia and related disorders services pursuant to § 38.003 of the Texas Education Code. Out of the funds appropriated above in Strategy B.3.1, Regional Training and Development, the Commissioner of Education shall direct $150,000 in each year of the biennium to assist in the funding of such coordinators.

50. **Receipt and Use of Federal Funds and Royalties.** The Commissioner of Education is authorized to apply for, receive and disburse funds in accordance with plans or applications acceptable to the responsible federal agency or other public or private entity that are made available to the State of Texas for the benefit of education and such funds are appropriated to the specific purpose for which they are granted. It is the intent of the Legislature that when entering into any contract or plan with the Federal Government or other entity, prime consideration shall be given to preserving maximum local control for school districts.

For the 2002–03 biennium, the Texas Education Agency is appropriated any royalties and license fees from the sale or use of education products developed through federal and state funded contracts managed by the agency. The Texas Education Agency shall report to the Legislative Budget Board and to the Governor's Office no later than September 1, 2002 on earnings pursuant to this provision.

51. **Textbook Availability.** The Texas Education Agency shall work with independent school districts to ensure that the appropriate course textbook is available for each student in kindergarten through third grade enrolled in every core curriculum course.

52. **Parental Involvement.** In establishing the criteria for awarding grants from the Texas Education Agency to schools through the Governor's Texas Reading Initiative, the

*Struck per House Bill 2879.
**Italicized language added or amended per House Bill 2879.

Commissioner shall require any school-applicant to submit to the Commissioner a plan for parental involvement in its reading academy or reading program.

53. **School Improvement and Parental Involvement Initiative.** Out of the funds appropriated above in Strategy B.3.2, Deregulation and School Restructuring, and in Strategy A.3.3, Improving Education Performance, the Commissioner may fund programs intended to increase parent involvement and improve academic achievement. The Commissioner shall give priority to programs that provide matching funds. Programs that may be funded include, but are not limited to, Charles A. Dana Center at the University of Texas at Austin, AVANCE family support and education program, the State Marine Science Center in Palacios, the German Teacher Exchange Program, the Texas Council on Economic Education, and the One Community/One Child Program, the Elementary, Middle, and High School Mentor Program, the Superintendent Leadership Training Academy at Lamar University, and the Renewable Energy and Environmental Protection Summer Academy at Texas Southern University, and the Region VIII Campus Administrator Preparation Program. The Commissioner shall allocate $125,000 in each year of the biennium for support of the State Marine Science Center in Palacios. Palacios Independent School District shall act as the fiscal agent for this appropriation, and shall direct an amount not to exceed $50,000 in each year of the biennium for the maintenance and insurance of the State Marine Science Center. It is the intent of the Legislature that none of the funds expended by the Charles A. Dana Center shall be used to support the commercial development and marketing of textbooks.

Out of the funds appropriated above in Strategy B.3.2, Deregulation and School Restructuring, the Commissioner shall allocate $500,000 or an additional amount at the discretion of the Commissioner in each year of the biennium to assist programs that sponsor academic competitions with teacher stipends, entrance fees, scholarships, and other expenses associated with participating in academic competitions. Eligible campuses must not have previously participated in academic competitions, and must seek to participate in competitions that do not prohibit the participation of students who have repeated one or more grade levels. In awarding grants under this provision the Commissioner shall give emphasis to campuses with high concentrations of economically disadvantaged students. TEA shall provide an annual report on the allocation of the funds.

The Commissioner shall evaluate programs funded under this section and programs that do not demonstrate a positive effect on student performance shall be eliminated.

54. **Special Foundation School Program Payments.** The Texas Academy of Leadership in Humanities is entitled to Foundation School Program (FSP) allotments for each student enrolled in the academy as if it were a school district, except that the local share applied is equal to the Beaumont ISD's local share. The same methodology shall apply to the Texas Academy of Mathematics and Science with a local share equal to Denton ISD's and to the Seaborne Conservation Corps, with a local share equal to Galveston ISD's.

* 55. **Texas Reading *and Math Initiatives*.** Out of the funds appropriated above in Strategy B.1.2, Student Success, *$34,000,000* in 2002 and *$30,000,000* in 2003 shall be allocated to the *Texas* Reading *and Math Initiatives*. These funds shall be allocated in the following manner:

a. *Funds shall be distributed by the Commissioner for reading diagnostic instruments* and on a competitive grant basis to be used by schools for the implementation of scientific, research-based reading *and mathematics* programs, the purchase of additional instructional or diagnostic materials, necessary materials for libraries, instructional staff, or related professional staff development *for* educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below-grade level reading skills and submit a plan for parental involvement in the program.

*Italicized language added or amended per House Bill 2879.

* b. The Commissioner of Education shall use not less than $15 million of the funds to implement scientific-based content development for training materials, professional development institutes in mathematics and related research, as provided by §§7.058, 21.454, 21.455, Education Code, as added by HB 1144, Acts of the Seventy-seventh Legislature, Regular Session, 2001.

* c. The Commissioner of Education may use a portion of the funds to implement the master mathematics teacher program as provided by §§ 21.0482 and 21.411, Education Code, as added by HB 1144, Acts of the Seventy-seventh Legislature, Regular Session, 2001, and shall transfer funds to the State Board for Educator Certification for creation of the master mathematics teacher certification as provided by § 21.0482, Education Code, as added by HB 1144, Acts of the Seventy-seventh Legislature, Regular Session, 2001.

*Added per House Bill 2879.

* d. An amount not to exceed 10 percent of the total Reading and Math Initiative appropriation may be used at the Commissioner's discretion for reading improvement, research or development.

* e. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B.

* f. An amount not to exceed $1,000,000 in each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of nonconsumable materials to be used with any or all of the state adopted basal reading programs to enhance the systematic instruction of phonics in early reading (K–3). Priority will be given to districts that do not have reading specialists or staff to train teachers. The Commissioner will develop criteria for distribution of grant funds and for materials eligible for purchase.

* g. The Commissioner may transfer up to 5 percent of the appropriation from Goal A to Goal C, Operations or Goal D, Indirect Administration for purposes of administering and evaluating the program.

* h. Any balances as of August 31, 2002, are appropriated for the 2003 fiscal year.

* The Commissioner shall develop performance measures for the Reading *and Math* Initiative *programs*.

56. **Statewide Technology Initiatives.** The Texas Education Agency and the Telecommunications Infrastructure Fund Board shall coordinate their efforts providing educational technology to public schools in order to prevent duplication of effort and funding. The Texas Education Agency shall provide to the TIF Board annual and periodic accounting of the expenditure of TIF funds appropriated to the Agency, including the type of project funded at both the campus and district level. Public schools receiving TIF funding are entitled to an accounting of those funds. This information shall also be reported to the Legislature through the biennial Progress Report on the Long Range Plan for Technology.

57. **Funding for Tuition Credit Program.** Out of the funds appropriated above there is hereby transferred via interagency contract to the Texas Higher Education Coordinating Board an amount of funds, estimated to be $4,525,000 in each year or the biennium, from the Foundation School Fund sufficient to pay for the Early High School Graduation Scholarship Program, and tuition and fee exemptions in accordance with Texas Education Code, §§ 54.212 and 54.214.

58. **Earned Federal Fund Appropriations.** Pursuant to Chapter 317 of the Texas Government Code, Earned Federal Funds earned in excess of the amounts shown in the Method of Finance for 2002 and 2003 are hereby appropriated to the Texas Education Agency in amounts not to exceed $1,500,000 in each fiscal year. The additional amounts specified by this provision can be exceeded only with the prior approval of the Governor and the Legislative Budget Board.

59. **Texas Education Agency's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, maintain and appropriate the "Texas Education Agency's Revolving Account" to account for the expenditures, revenues, and balances of managing a full cost-recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Texas Education Agency within its accounting system. Any unobligated balances as of August 31, 2002, are reappropriated for the same use during fiscal year 2003. For the purpose of meeting cash flow needs, the Texas Education Agency may temporarily transfer funds from Goal D, Indirect Administration, to the revolving account. Transfers must be returned by the end of the fiscal year.

*Added or amended per House Bill 2879.

60. **Certification of Pre-kindergarten Expenditures.** Out of the funds appropriated above in Strategy A.2.1, FSP - Equalized Operations, the Texas Education Agency shall certify each year of the biennium the maximum pre-kindergarten expenditures allowable under federal law as maintenance of effort for Temporary Assistance for Needy Families (TANF) and state match for the Child Care Development Fund.

61. **Texas After-School Initiative.** Out of the funds appropriated to Strategy B.2.3, Support Programs, $12,500,000 in 2002 and $12,500,000 in 2003 shall be allocated for the Texas After-School Initiative and may be expended in accordance with the following provisions:

    a. Not less than 85 percent shall be distributed by the Commissioner for after-school programs and on a competitive grant basis to be used by eligible school districts for the implementation of quality after-school programs serving students of middle school age. Funding shall be targeted to districts that correspond with certain high juvenile crime zip codes as identified by juvenile referral data gathered by the Texas Criminal Justice Policy Council. To be eligible for funding, districts must demonstrate that the after-school programs primarily serve students at risk of academic failure and/or at risk of committing juvenile offenses, and that the programs include an academics-based curriculum linked to the Texas Essential Knowledge and Skills, a character/citizenship education component, a plan for parental and/or mentor involvement, and assurances that no supplanting of current funds dedicated to after-school programs will occur. Districts may contract with private sector organizations to deliver all or part of the program.

    b. An amount not to exceed 10 percent of the total appropriation for fiscal year 2002 for the after-school initiative may be used at the Commissioner's discretion for after-school improvement, research or development, and mentoring. Any unexpended balances from this amount are reappropriated for fiscal year 2003.

    c. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B.

    d. The Commissioner may transfer up to 5 percent of the appropriation from Goal A to Goal C, Operations, or Goal D, Indirect Administration, for purposes of administering or evaluating the program.

62. **Head Start–Ready to Read Program.** Out of the funds appropriated in Strategy B.1.2, Student Success, $7,500,000 in 2002 and $7,500,000 in 2003 shall be used for the Texas Head Start–Ready to Read Programs, as programs providing an educational component to Head Start, or other similar government-funded early childhood care and education programs. The Texas Education Agency shall expend these funds in accordance with the following provisions and the provisions of Texas Education Code § 29.155 Ready to Read Grants, with Texas Education Code § 29.56 Grants or Educational Components of Head Start, and with the following provisions:

    a. Not less than 95 percent shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of directly improving the pre-reading skills of three- and four-year-old children and identifying cost-effective models for pre-reading interventions. To be eligible for the grants, applicants must serve at least 75 percent low-income students, as determined by the Commissioner.

    b. The Commissioner shall ensure the administration of the Head Start–Texas Ready to Read Grants is a preschool extension of the Texas Reading Initiative.

c. The Commissioner may transfer up to 5 percent of this appropriation from Goal A to Goal C, Operations, or Goal D, Indirect Administration, for purposes of administering and evaluating the programs.

d. Any balances as of August 31, 2002, are appropriated for the 2003 fiscal year.

63. **Technology Pilot Programs.** Out of the funds appropriated from the Telecommunications Infrastructure Fund in Strategy A.3.2, Technology, the Commissioner shall allocate an amount not to exceed $683,600 in 2002 and 2003 to conduct the educational technology pilot programs, including the laptop initiative. The funds may be used for contractor fees, direct support to participating school districts for assistance in data collection and evaluation, and operating costs to the agency for project management. The Commissioner shall present the results of the pilot programs to the Legislature and the Governor no later than December 1, 2001. The expenditure of such funds shall not be subject to the limitations in Rider 39, Limitation: Transfer Authority. Any unexpended balances as of August 31, 2001 are hereby reappropriated to the agency for the same purposes for 2002.

* 64. **Master Reading *and Mathematics Teachers*.** Out of funds appropriated above in Strategy A.3.3, Improving Educator Performance, the Texas Education Agency shall allocate $8,000,000 in 2002 and $12,000,000 in 2003 for the purpose of funding Master Reading *and Master Mathematics* Teacher stipends for school districts with certified Master Reading *and/or Master Mathematics* Teachers. *The Texas Education Agency may transfer funds to the State Board for Educator Certification for the creation of the Master Mathematics Teacher certification as provided by § 21.0482, Texas Education Code, as amended by HB 1144, Acts of the Seventy-seventh Legislature, Regular Session, 2001.*

* 65. **Student Success Initiative.** Out of the funds appropriated above, *$110,282,758* in fiscal year 2002 and *$120,000,000* in fiscal year 2003 from the General Revenue Fund are allocated for the Student Success Initiative. With the exception of the amounts listed below, the Commissioner shall expend these funds for teacher training and allocations to schools for the purpose of implementation of scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAAS reading standard by the end of third grade, including those students with dyslexia and related disorders. The funding for student programs for fiscal year 2002 shall be limited to students in kindergarten, grade one, and grade two. The funding for student programs for fiscal year 2002 shall be limited to students in kindergarten, grade one, grade two, and grade three.

a. An amount not to exceed 2 percent of the total appropriation for the initiative may be used at the Commissioner's discretion for research, development, and evaluation of the program. The expenditure of these funds shall not be subject to the limitations on transferability.

b. An amount not to exceed $400,000 per year may be used by the Commissioner to administer the program. The expenditure of these funds shall not be subject to the limitations on transferability.

c. Any balances as of August 31, 2002, are reappropriated for fiscal year 2003 for the same purposes.

66. **Standards for Gifted and Talented Students Pilot Project.** It is the intent of the Legislature that the Texas Education Agency develop an assessment system and statewide standards for gifted and talented students at all grade levels. Out of the funds appropriated above in Strategy C.1.3, Improving Instruction Operations, the Texas Education Agency shall expend $277,250 in each year of the 2002–03 biennium to develop such a system, and shall pilot standards for the performance of gifted and talented students in the areas of mathematics, science, social studies and language arts. School district participation in the project or in the use of the standards is not mandatory. At a minimum, the eighth grade pilot shall be completed by August, 2003.

*Italicized language added or amended per House Bill 2879.

67. **Matching Funds for Library Purchases.** It is the intent of the legislature that for each dollar expended by each campus of each school district for books and other school library materials that are catalogued and circulated from a central source in each school building, the Texas Education Agency shall provide a 30 percent match to be used for the same purpose. The maximum amounts to which a match will pertain shall be $1.00 per student in the district and the total amount allocated under this provision shall not exceed $.30 per student enrolled in Texas public school in each year of the 2002–03 biennium. Funds expended pursuant to this provision may not supplant funds expended by school districts for school library materials. Funds for this purpose shall be allocated out of available federal Consolidated Administrative funds and from funds from grants subject to the federal "Ed Flex" statute. TEA may also use General Revenue Funds over which the Commissioner has discretion. Funds allocated pursuant to this provision shall not exceed $1,200,000 in each year of the biennium.

    The Texas Education Agency shall establish rules by which matching funds are allocated to individual campuses of the school districts. It is the intent of the legislature that public school libraries be in compliance with standards established by the State Library and Archives Commission. To meet that goal, it is also the intent of the legislature that school districts which do not yet meet the established standards shall direct any matching funds allocated under this provision on purchases designed to bring the district into compliance.

68. **Notification of Investigation Findings.** The agency shall notify the State Senators and Representatives that represent districts directed by the Texas Education Agency to perform internal investigations of the findings of such investigations prior to the release of the findings.

69. **Coordination of Assistance to School Districts.** The Texas Education Agency shall work in cooperation with the Texas Comptroller of Public Accounts to assist school districts in the investment of funds and with the Bond Review Board to assist school districts entering into bonded indebtedness or lease purchase agreements.

70. **Education Technology Coordinating Council.** The Texas Education Agency (TEA), the Department of Information Resources (DIR), the General Services Commission (GSC), the State Board for Educator Certification (SBEC), the Telecommunications Infrastructure Fund Board (TIFB), the State Library and Archives Commission (SLAC), the Higher Education Coordinating Board (HECB), Colleges of Education, and the Colleges of Library Science shall ensure that their Agency Strategic Plans adhere to and support the State of Texas Master Plan for Educational Technology prepared by the Education Technology Coordinating Council (the Council) under the provisions of Rider 74, House Bill 1, Seventy-sixth Legislature.

    The TEA, DIR, GSC, SBEC, TIFB, SLAC, HECB, Colleges of Education, and the Colleges of Library Science shall direct a representative of their agency or institution to participate in the Council. The Council shall ensure the coordination of the state's efforts to implement educational technology initiatives.

    The Council is charged with the continuing development and maintenance of the State of Texas Master Plan for Educational Technology and submitting an updated Master Plan to the Legislature in December of every even-numbered year. The Plan shall articulate the vision and maintain the unified policy direction to guide the creation and implementation of education technology initiatives in Texas.

    The ETCC shall give particular attention to the coordination of pre-service and in-service training for teachers and librarians.

71. **Arts Education.** Out of the Foundation School Program funds appropriated to the Texas Education Agency in this Act, $300,000 in fiscal year 2002, and $300,000 in fiscal year 2003 shall be directed to and expended by the Commission on the Arts under the Commission's

Strategy B.1.1, Arts Education, for the purpose of awarding grants for arts education. These amounts shall be directed and expended in addition to funds separately appropriated under this Act to the Commission on the Arts under Strategy B.1.1, Arts Education.

72. **Pilot Project: Learning Through Listening.** Out of the funds appropriated above in Strategy B.2.2, Students with Disabilities, the Commission shall expend $171,299 in 2002 and $158,100 in 2003 to pilot a program of intensive reading instruction using recorded material technology for visually impaired and reading disabled students. The program shall target students in kindergarten through third grade with learning disabilities, dyslexia, vision impairments, and physical disabilities in integrated settings.

73. **Kindergarten and Pre-kindergarten Grant Programs.** Out of the funds appropriated above in Strategy B.1.2, Student Success, the Commissioner of Education shall allocate $100,000,000 in 2002 and $100,000,000 in 2003 for the purpose of providing grants for kindergarten and pre-kindergarten programs consistent with the provisions of Texas Education Code § 29.155. Any unexpended balances as of August 31, 2002, are appropriated for the same purpose for the 2003 fiscal year.

74. **Basic Skills Programs for High School Students.** Out of funds appropriated above in Strategy B.1.2, Student Success, the Commissioner of Education shall, in a manner consistent with Texas Education Code § 29.086, allocate $42,500,000 in 2002 and $42,500,000 in 2003 as grants to school districts implementing special programs for students in grade 9 who have not earned sufficient credit to advance to grade 10 and who do not meet the Commissioner's established minimum skill levels. Any unexpended balances as of August 31, 2002, are appropriated for the same purpose for the 2003 fiscal year.

75. **Windham School District Priorities.** The Windham School District should identify younger offenders with the lowest educational levels as a high priority population when allocating educational resources. This policy shall not preclude the Windham School district from serving other populations according to needs and resources. The Windham School District will report to the Seventy-eighth Legislature regarding their effort and success in implementing this prioritization.

76. **Careers to Classrooms Program.** Contingent upon passage of House Bill 704, the Texas Education Agency may draw down any and all available Federal Funds for the purposes of the program.

77. **Adult Education.** Priority shall be given to adult literacy programs in the expenditure of adult education funds appropriated above. It is the intent of the Legislature that, in providing educational programs, the administering agency or agencies shall make every effort to provide appropriate training to recipients of Temporary Assistance for Needy Families (TANF) in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Out of the $6,000,000 in general revenue funds appropriated each year above in Item B.2.5, Adult Education and Family Literacy, an amount not less than $2,000,000 each year shall be allocated to TEA's adult education cooperatives to provide education and training services to TANF recipients. In addition, out of the Federal TANF funds appropriated above in Item B.2.5, $6,100,000 in 2002 and $6,500,000 in 2003 shall be directed for services for adults who are eligible for TANF. Families that include a child living at home are deemed eligible for TANF-funded adult education services if a family member receives any of the following forms of assistance: Food Stamps, Medicaid, Children's Health Insurance Program, Child Care and Development Fund, or Free or Reduced Priced Lunch Program. To implement these provisions, TEA shall enter into contracts or arrangements with the agency or agencies administering welfare reform and may work with other community-based organizations to offer services directly to adult TANF recipients. All providers of adult education shall meet the requirements

defined in the Texas Education Code. Federal funds appropriated for this purpose shall be used for administrative expenditures only to the extent allowable under Federal regulations.

78. **Adult Education Accountability.** It is the intent of the Legislature that the Texas Education Agency improve accountability of funds spent on adult education by continuing to implement improvements to the Adult Community Education System and reevaluating current contracting procedures with adult education providers to ensure maximum competition. The agency may collaborate with the Texas Higher Education Coordinating Board and the Texas Workforce Commission as necessary to implement this rider.

79. **Adult Education Provider Application.** The Texas Education Agency shall develop and by rule adopt an application form to be used by persons seeking agency approval to provide adult education programs. The agency shall consult with adult education program providers and other affected persons in designing the application to ensure that the application is designed for the convenience of an applicant and requires only concise and specific information necessary to determine the qualifications of an applicant. The agency shall solicit comments and recommendations related to the effectiveness of the application process from adult education program providers.

80. **Training for the Recommended High School Program.** Out of the funds appropriated above in Strategy B.3.1, Regional Training and Development, the Regional Education Service Centers shall use an amount sufficient to assist school districts with the teacher training and preparation necessary to expand the availability of the recommended high school program.

81. **High Cost Reimbursement Grant Program.** Out of the funds appropriated above Strategy B.2.2, Students with Disabilities, the Commissioner shall allocate up to $10,000,000 in 2002 and $10,000,000 in 2003 in federal School Renovation Grants for a grant program to assist school districts and charter schools whose per student costs for expenses related to the Individual with Disabilities Act substantially exceeds the state average per pupil expenditure as defined in § 14101 (2) of the Elementary and Secondary Education Act of 1965 (20 USC 8801 (2)). It is the intent of the Legislature that the use of these funds by school districts and charter schools does not violate the least restrictive environment requirements of IDEA Amendments of 1997, relating to placement and state funding systems that distribute funds based on type of setting.

82. **Progress Report on Full-time Equivalent Positions.** It is the intent of the Legislature that the Texas Education Agency shall, efficiently and reasonably, shift up to 50 full-time equivalent positions to locations outside of Travis County. No later than January 1, 2003, the Texas Education Agency shall report to the Governor's Office and the Legislative Budget Board on the progress of this effort.

83. **Texas Engineering Foundation.** Contingent on the passage of House Joint Resolution 75 and subsequent approval by the voters, there is hereby appropriated out of the general revenue fund to the Texas Education Agency for distribution to the Texas Engineering Foundation $592,068 for the purpose of providing math training, materials, curriculum, and other related services to teachers.

84. **Funds for Teacher Mentoring Programs.** The Texas Education Agency shall allocate an amount not to exceed $350,000 in each year of the 2002–03 biennium to the State Board of Educator Certification for the operation, marketing, and support of school district based teacher mentoring programs. Funds for this purpose shall be allocated out of available federal program funds subject to the federal "Ed Flex" legislation or similar legislation or rules. Districts may apply directly to TEA for teacher mentoring funds as a part of several ESEA federal grant programs.

85. **Driver Training Program Enforcement.** It is the intent of the legislature that the Commissioner ensure the adoption of rigorous standards to meet the requirements of § 11 of Article 4413 (29c) VTCS, relating to the security and validity of driving safety programs provided by alternative delivery methods. No later than December 1, 2001, the Commissioner shall provide to the House Public Safety Committee and the Senate Criminal Justice Committee the approved standards and a plan for such enforcement.

86. **Agriculture Education Field Personnel.** Out of the funds appropriated above, the Texas Education Agency shall allocate $250,000 in each year of the biennium to support a half-time agricultural education specialist in each of the following five geographically dispersed institutions of higher education in the state: West Texas A&M University, Angelo State University, Sul Ross State University, Sam Houston State University and Southwest Texas Junior College.

87. **Interagency Council on Early Childhood Intervention.** Out of the funds appropriated above in strategy B.2.2, Students with Disabilities, $5,100,000 in 2002 and $11,400,000 in 2003 shall be set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination. This set-aside shall not affect the calculation of the number of students on weighted average daily attendance under Texas Education Code § 42.302.

88. **Equipment for Cardio-pulmonary Resuscitation.** Notwithstanding any other provision of this Act, the Texas Education Agency may accept donations of equipment, including dummies, intended for use in Cardio-pulmonary Resuscitation (CPR) training. Upon receipt of such equipment, the TEA shall distribute the equipment to districts including CPR training within their curriculum. The Commissioner may adopt rules to implement this provision.

89. **School District Teacher Misconduct Reporting.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code § 249.14.

90. **Available School Fund.** The State Board of Education shall provide to the Comptroller of Public Accounts a memorandum of commitment indicating that changes in the Permanent School Fund investment strategy will result in an additional $150,000,000 in the 2002–03 biennium over the Comptroller's official estimate of Permanent School Fund interest, dividend, and other revenue earnings as reported in the 2002–03 Biennial Revenue Estimate or, if applicable, in the latest succeeding official revenue estimate issued by the Comptroller prior to the date of the agreement.

91. **Allocations Pursuant to Other Legislation.** The Legislative Budget Board is hereby directed to make appropriate method of finance and annual allocation technical adjustments to $2,315,000,000 appropriated above in Strategy A.2.1, FSP - Equalized Operations, pursuant to enactment of HB 3343, SB 1766, SB 1785, HB 2879 or other legislation impacting the Foundation School Program or school district employee health insurance. The Legislative Budget Board shall make appropriate technical adjustments to all necessary strategies, measures and riders and to implement and reflect the provisions of that legislation, including appropriate interagency transfers. To the extent authorized by the legislation, the Number of Full-Time Equivalent Positions shall be increased by the Legislative Budget Board in order to implement the provisions of the legislation.

92. **Passing Rate Targets for the New Assessments.** If the Texas Education Agency determines, after analysis of all relevant data, that passing rates for the new assessments in 2003 will be significantly lower than the targets contained in this Act, the Agency shall notify the Legislative Budget Board and the Governor's Office of Budget and Planning of the new projected passing rates and the reasons for the lower estimates.

* 93. **Foundation School Program Payment System Upgrade.** Out of the funds appropriated above in Strategy C.1.2, School Finance System–Operations, $300,000 in 2002 is intended to support required system upgrades to the Foundation School Program payment system as needed to make appropriate state aid payments to school districts pursuant to the requirements of HB 3343, Acts of the Seventy-seventh Legislature, Regular Session, 2001.

* 94. **Average Daily Attendance Decline.** Funds appropriated above in Strategy A.2.1, Foundation School Program–Equalized Operations, include $11 million in each year of the 2002–03 biennium to implement § 42.005, Texas Education Code, as amended by House Bill 2879, Acts of the Seventy-seventh Legislature, Regular Session, 2001. Expenditures pursuant to this provision shall not exceed $22 million for the 2002–03 biennium.

* 95. **Technology Charter School.** The funds appropriated above in Strategy B.3.1, Regional Training and Development, include $1,000,000 in each year of the biennium which shall be used at the discretion of the Commissioner for projects including the Technology Charter School at the University of Texas at Austin.

*Rider added per House Bill 2879.

STATE BOARD FOR EDUCATOR CERTIFICATION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EDUCATOR CERTIFICATION		
The State Board for Educator Certification will ensure the highest level of educator preparation and practice to achieve student excellence.		
Outcome (Results/Impact):		
Percent of Teachers Who Are Fully Certified	90.2%	90.3%
Percent of Teachers Who Are Employed/Assigned to Teaching Positions for Which They Are Fully Certified	85%	85%
Percent of Beginning Teachers Remaining in the Classroom after Three Years	60%	60%
Percent of Documented Complaints Resolved within Six Months	55%	55%
Percent of Educator Preparation Programs Rated "Accredited"	85%	85%
Percent of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	90%	95%
A.1.1. Strategy: EDUCATOR QUALITY/ACCOUNTABILITY	$ 9,759,000	$ 10,248,490
Build the capacity of the Texas public education system so that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve academic performance of all students in the state.		
Output (Volume):		
Number of Individuals Issued Initial Teacher Certificate	23,100	24,200
Number of Temporary Credentials Issued	19,000	18,500
Efficiencies:		
Average Time for Certificate Issuance (Days)	30	30
Average Cost Per Certification Examination Administered	62	62
A.1.2. Strategy: RETENTION, RECRUITMENT	$ 4,859,270	$ 307,848
Reduce the teacher shortage through the creation and expansion of preparation programs and the support of beginning educators.		
Output (Volume):		
Number of SBEC Teacher Induction Program Participants	2,700	0
Number of Previously Degreed Individuals Issued Initial Teacher Certificate	11,000	11,000
Number of Individuals Issued Initial Teacher Certificate Concurrent with Receiving Baccalaureate Degree	14,490	15,180
A.1.3. Strategy: EDUCATOR PROFESSIONAL CONDUCT	$ 1,284,078	$ 1,284,078
Implement measures to ensure all educators engage in high levels of professional conduct.		
Output (Volume):		
Number of Complaints Resolved	1,800	1,800
Number of Complaints Pending	800	800

Efficiencies:		
Average Time for Resolving Complaints (Days)	260	260
Average Cost Per Complaint Resolved	393	386
Total, Goal A: EDUCATOR CERTIFICATION	$ 15,902,348	$ 11,840,416
Grand Total, STATE BOARD FOR EDUCATOR CERTIFICATION	$ 15,902,348	$ 11,840,416
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 1,898,028	$ 323,848
Certification and Assessment Fees (General Revenue Fund)	10,383,978	11,516,568
Subtotal, General Revenue Fund	$ 12,282,006	$ 11,840,416
Federal Health, Education and Welfare Fund No. 148	2,977,242	0
Telecommunications Infrastructure Fund No. 345	643,100	0
Total, Method of Financing	$ 15,902,348	$ 11,840,416
Number of Full-Time-Equivalent Positions (FTE):	52.0	52.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$78,000	$78,000
Supplemental Appropriations Made in Riders:	$ 1,650,000	$ 0

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Integrated Educator Preparation Certification, Assessment & Accountability	$ 845,125	$ 0
(2) Integrated Reporting System (IRS)	643,100	0
Total, Acquisition of Information Resource Technologies	$ 1,488,225	$ 0
Total, Capital Budget	$ 1,488,225	$ 0
Method of Financing (Capital Budget):		
Telecommunications Infrastructure Fund No. 345	$ 643,100	$ 0
Certification and Assessment Fees (General Revenue Fund)	845,125	0
Total, Method of Financing	$ 1,488,225	$ 0

2. **Reimbursement of Advisory Committees.** None of the funds appropriated in this Act to the State Board for Educator Certification may be used for the reimbursement of advisory committee members unless the Chairman of the Board provides written notification, including a justification of the purpose of the committee, to the Legislative Budget Board and the Governor.

3. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by this agency cover, at a minimum, the cost of the appropriations made above for Strategies A.1.1. and A.1.3, as well as the "other direct and indirect costs" associated with these functions, appropriated elsewhere in this Act. "Other direct and indirect costs" for these functions are estimated to be $576,131 in 2002 and $678,328 in 2003. In the event that actual and/or projected revenue collections are insufficient to offset the cost identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority above to be within the amount of revenue expected to be available. This provision does not apply to $16,000 for each year in General Revenue for Strategy A.1.3 and $643,100 in fiscal year 2002 in Telecommunications Infrastructure Fund No. 345 for Strategy A.1.1.

4. **Assessment Fees.** In order to ensure that all examinations required for certification reflect the Texas Essential Knowledge and Skills developed under § 28.002 of the Texas Education Code as well as the competencies required of professional educators, all unexpended balances of appropriated certification and assessment fees remaining as of August 31, 2001, are hereby appropriated for the biennium beginning September 1, 2001, in an amount not to exceed $1,650,000. Unexpended appropriated balances on hand at the end of fiscal year 2002 may be carried over to fiscal year 2003 in an amount not to exceed $310,000. Such appropriation and carry-forward may only be used for the purpose of test administration and development.

5. **Exam Locations.** The State Board for Educator Certification shall continue to ensure that sites in the state of Texas that provide the main certification examination for educators (a.k.a. ExCET) are located such that there is a site within 50 miles of every Board-approved educator preparation program. In addition, the Board shall conduct a study to determine the potential savings of offering the ExCET exam in all approved educator preparation program facilities.

6. **Integrated Reporting System.** The State Board for Educator Certification shall coordinate with the Texas Education Agency and the Higher Education Coordinating Board regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

7. **Texas Beginning Educator Support System.** The State Board for Educator Certification shall seek federal funds to continue the Texas Beginning Educator Support System (TxBESS) or any other beginning teacher induction/mentor program. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency. Article IX provisions regarding transferability notwithstanding, the agency may transfer General Revenue from one strategy to another, or carry forward unexpended balances from fiscal year 2002 in fiscal year 2003, to reach an annual funding level of $3 million for the Texas Beginning Educator Support System for each year of the 2002-2003 biennium. Any federal funds received by the agency for a beginning educator induction program shall reduce the use of carried-forward unexpended appropriated General Revenue funding, or inter-strategy transfer of General Revenue, so as to maintain a $3 million annual funding level for the induction program.

If the agency receives a state fiscal year grant of more than $3 million for either year of the biennium, it may not expend any carried-forward unexpended appropriated or inter-strategy transfer of General Revenue funds for the induction program.

As part of the beginning educator induction program, the agency shall train districts to develop and operate their own local induction programs, based on the statewide TxBESS model.

The agency shall report on its efforts to obtain federal funds for beginning educator induction/mentoring to the Seventy-eighth Legislature.

8. **Test Development.** The State Board for Educator Certification shall consider the use of standard exams that are not specific to Texas curricula to complement a core of Texas-specific exams and/or replace certain Texas-specific exams planned or under development. The board shall consider the following factors when determining whether a Texas-specific exam is necessary - the number of Texas educators likely to take the exam; the extent to which educators from states that use a standard exam pass similar Texas-specific exams; the similarity of content covered in a standard exam versus the planned Texas-specific exam, understanding that 100 percent of alignment is not necessary; and the relative cost to the state and to examinees of a standard exam versus a Texas-specific exam.

   The State Board for Educator Certification is hereby authorized to expend funds appropriated in Strategy A.1.1, Educator Quality/Accountability, for test development for the evaluation and purchase of standard exams, if the Board finds that a standard exam is appropriate.

9. **Federal Funds for Test Development.** The State Board for Educator Certification shall seek federal funds to provide for the development of new certification examinations. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency. The agency may not expend more than $2.8 million for test development in the 2002–2003 biennium in all funds.

   The agency shall transfer an amount of General Revenue equal to any federal funds received for test development from Strategy A.1.1, Educator Quality/Accountability, to Strategy A.1.2, Retention, Recruitment, for the Texas Beginning Educator Support System mentoring program.

10. **Communication of New Rules.** It is the intent of the Legislature that the State Board of Educator Certification communicate the adoption of new rules directly to school districts and institutions of higher education by electronic mail or regular mail in a timely manner. The board will also post newly adopted rules on the Internet for review.

11. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code 249.14.

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ACADEMIC AND LIFE TRAINING Students who are visually impaired or deafblind will demonstrate the skills and knowledge to lead vocationally, personally, and socially satisfying lives as demonstrated by academic success and successful transition to the community.		
Outcome (Results/Impact):		
Percent of Student Learning Indicator Attained	100%	100%
Percent of Graduated Students from the past Five Years Currently Employed	45%	50%
Percent of Students Whose Responding Local School Districts Rated Their Learning Experience at Summer School as Very Satisfactory or above	85%	85%
A.1.1. Strategy: CLASSROOM INSTRUCTION Provide a well-balanced curriculum which includes disability-specific skills and which meets either State Board of Education requirements for regular education or individual education plan goals. Provide instruction in academic/functional, vocational, and orientation and mobility skills and promote the successful transition of students to local schools, community placements, work, or further education.	$ 3,580,561	$ 3,580,561
Output (Volume):		
Number of Students Enrolled in Day Programming During Regular School Year	145	145
Number of Students Enrolled Who Have Multiple Disabilities	106	106
Efficiencies:		
Average Cost of Instructional Program Per Student Per Day	124.73	124.73
Explanatory:		
Average Length of Enrollment in Regular School Year Program (Months)	32	32
A.1.2. Strategy: RESIDENTIAL PROGRAM Conduct residential programming that provides instruction in independent living skills and social skills.	$ 2,628,959	$ 2,628,959
Output (Volume):		
Number of Students Enrolled in Residential Programming During Regular School Year	135	135
A.1.3. Strategy: SUMMER AND SHORT PROGRAMS Provide a variety of instructional and residential short-term special programs including summer enrichment programs designed to meet the educational needs of students with visual impairments. Curriculum will be provided in the following content areas: compensatory academic skills, including communication modes; social interaction skills; recreation and leisure skills; use of assistive technology; orientation and mobility; independent living skills; career education; and visual efficiency skills.	$ 1,185,537	$ 1,185,537
Output (Volume):		
Number of Students Enrolled in Short-term Special Programs	350	350

Efficiencies:		
Average Cost of Short-term Special Programs Per Student	3,147.25	3,147.25
A.1.4. Strategy: RELATED AND SUPPORT SERVICES	$ 3,486,872	$ 7,910,468
Provide related services during the regular school year and short-term special programs that support the instruction of students attending TSBVI.		
Output (Volume):		
Number of Students Receiving Physical/Motor Services	457	457
Total, Goal A: ACADEMIC AND LIFE TRAINING	$ 10,881,929	$ 15,305,525
B. Goal: STATEWIDE RESOURCE CENTER		
Families, professionals, and paraprofessionals will have the knowledge and skills necessary to improve educational programming and other services for all Texas students who are visually impaired or deafblind.		
Outcome (Results/Impact):		
Percent of Families, Professionals, and Paraprofessionals Rating as Very Satisfactory or above the Improvement of Their Knowledge and Skills as a Result of the Services or Products Received from TSBVI	82%	85%
B.1.1. Strategy: TECHNICAL ASSISTANCE	$ 2,268,507	$ 2,268,507
Provide technical assistance and information and referral services for families of and programs serving children with visual impairments and children with deaf-blindness through preservice, inservice and family services programs.		
Output (Volume):		
Number of On-site Visits	165	166
Number of Participants in Video Conferencing Events	200	250
C. Goal: EDUC PROFESSIONAL SALARY INCREASES		
Educational professional salary increases.		
C.1.1. Strategy: EDUC PROFESSIONAL SALARY INCREASES	$ 177,144	$ 366,437
Provide for payment of salary increases for educational professionals equal to the increases granted to employees employed in comparable positions in the Austin Independent School District. Estimated.		
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 2,771,002	$ 2,643,377
Grand Total, SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	$ 16,098,582	$ 20,583,846
Method of Financing:		
General Revenue Fund	$ 12,698,184	$ 12,049,448
Federal Funds		
Federal Health, Education and Welfare Fund No. 148	84,000	84,000
Federal Funds	2,014,921	2,014,921
Subtotal, Federal Funds	$ 2,098,921	$ 2,098,921

Other Funds		
Appropriated Receipts	1,085,996	1,085,996
Interagency Contracts	215,481	215,481
Bond Proceeds - General Obligation Bonds	0	5,134,000
Subtotal, Other Funds	$ 1,301,477	$ 6,435,477
Total, Method of Financing	$ 16,098,582	$ 20,583,846
Number of Full-Time-Equivalent Positions (FTE):	357.5	357.5
Schedule of Exempt Positions:		
Superintendent, Group 3	$84,000	$84,000

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Phase III Campus Facilities Upgrades	$ 0	$ 3,713,000
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Maintain and Renovate Aging Facilities	$ 622,449	$ 1,421,000
c. Acquisition of Information Resource Technologies		
(1) Instructional Materials	173,225	173,225
(2) Technology Infrastructure Upgrade/Replacement	77,500	0
(3) Technology Upgrade	$ 63,000	$ 63,000
Total, Acquisition of Information Resource Technologies	$ 313,725	$ 236,225
d. Transportation Items		
(1) School Transportation	$ 168,000	$ 0
e. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Lease Payments (MLPP) for 1998-99 Acquisition of a School Bus	$ 17,554	$ 17,474
Total, Capital Budget	$ 1,121,728	$ 5,387,699
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,121,728	$ 253,699
Bond Proceeds - General Obligation Bonds	0	5,134,000
Total, Method of Financing	$ 1,121,728	$ 5,387,699

2. **Educational Professional Salary Increases.** The funds appropriated in Strategy C.1.1, Educational Professional Salary Increases, are estimated General Revenue and are contingent upon the increases granted to comparable educational professionals in the Austin Independent School District. No later than November 1 of each year of the biennium, the Texas School for the Blind and Visually Impaired shall submit, in a form acceptable to the Legislative Budget

Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

3. **Teacher Preparation Consortium.** Out of the funds appropriated above in Strategy B.1.1, Technical Assistance, $900,000 in each year of the biennium is Federal CFDA number 84.027, Special Education Grants. These funds shall be used to support professional preparation for teachers of students with visual impairments. The funds shall be expended under the provisions of a memorandum of understanding executed by Texas School for the Blind and Visually Impaired, Texas Tech University, and Stephen F. Austin University.

4. **Limitation on Construction.** None of the funds appropriated above may be used to construct a swimming pool or natatorium.

SCHOOL FOR THE DEAF

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ACADEMIC, LIFE, AND WORK TRAINING Texas School for the Deaf students will demonstrate the academic, career and work, and life skills necessary for students to become productive citizens and to achieve their maximum potential.		
Outcome (Results/Impact):		
Percent of Academic Courses in Which Students Obtain a Passing Grade	97%	97%
A.1.1. Strategy: CLASSROOM INSTRUCTION Provide instruction utilizing a rigorous, relevant, comprehensive curriculum to meet the needs of each learner.	$ 6,400,128	$ 6,153,962
Output (Volume):		
Number of Students Enrolled at Texas School for the Deaf	520	525
Number of Students Enrolled in the Special Needs Department	75	75
Efficiencies:		
Average Cost of Instructional Program Per Student Per Day	63.25	62.68
Explanatory:		
Average Length of Enrollment (By Months) in Regular Year Program	39	40
A.1.2. Strategy: RESIDENTIAL PROGRAM Provide after-school residential, extracurricular, and athletic programs that support student learning and acquisition of life skills.	$ 7,352,175	$ 3,181,858
Output (Volume):		
Number of Residential Students	325	330
Efficiencies:		
Average Cost of Residential Program Per Student Per Night	34.84	33.83
A.1.3. Strategy: RELATED AND SUPPORT SERVICES Provide related and support services necessary for students to benefit from educational programs.	$ 7,340,672	$ 4,641,235
Output (Volume):		
Number of Students Receiving Counseling	100	110
Number of Comprehensive Assessments Conducted for Current Students	160	170

Efficiencies:		
Average Cost of Related and Support Services Per Student	8,905.14	8,840.45
A.1.4. Strategy: EXTENDED-YEAR SERVICES	$ 247,952	$ 247,952
Provide extended-year and specialized summer services to eligible Texas School for the Deaf students to support academic, career, and work and life skills acquisition.		
Output (Volume):		
Number of Texas School for the Deaf Students Enrolled in Summer Programs	150	150
Number of Students Enrolled in Extended Year Services	47	50
Efficiencies:		
Average Cost of Summer Program Per Texas School for the Deaf Student	1,016.31	1,013.72
Total, Goal A: ACADEMIC, LIFE, AND WORK TRAINING	$ 21,340,927	$ 14,225,007
B. Goal: OUTREACH AND RESOURCE SERVICES		
Texas students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs) and agencies will benefit from Texas School for the Deaf outreach and resource services.		
B.1.1. Strategy: TECHNICAL ASSISTANCE	$ 169,143	$ 169,143
Provide technical assistance through seminars, workshops, conferences, site visits, consultations, publications, and Website to agencies, organizations, individuals, and families involved in the education of persons who are deaf and hard of hearing.		
Output (Volume):		
Number of Participants in Workshops and Training Seminars	4,083	4,492
Number of Assessments Provided to Non-Texas School for the Deaf Students	150	150
B.1.2. Strategy: TSD SPECIALIZED SHORT-TERM PROGRAMS	$ 235,718	$ 236,637
Provide specialized short-term services to eligible non-TSD students and families to support academic, career, and work and life skills acquisition.		
Output (Volume):		
Total Number of Non-Texas School for the Deaf Students Enrolled in Summer Programs	70	75
B.1.3. Strategy: TECHNOLOGY OUTREACH	$ 235,983	$ 238,445
Provide distance learning, videoconferencing and technology consultation and training to students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs), and other agencies.		
Output (Volume):		
Number of Participants in Distance Learning Activities	250	300
Number of Participants in Video-conferencing Events	1,500	2,000
Total, Goal B: OUTREACH AND RESOURCE SERVICES	$ 640,844	$ 644,225
C. Goal: EDUCATIONAL PROF SALARY INCREASES		
Educational professional salary increases.		
C.1.1. Strategy: EDUC PROF SALARY INCREASES	$ 227,784	$ 470,829
Provide for payment of salary increases for educational professionals equal to the increases granted to employees employed in comparable positions in the Austin Independent School District. Estimated.		

D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,072,448	$ 1,073,752
D.1.2. Strategy: OTHER SUPPORT SERVICES	$ 2,573,036	$ 2,583,746
Total, Goal D: INDIRECT ADMINISTRATION	$ 3,645,484	$ 3,657,498
Grand Total, SCHOOL FOR THE DEAF	$ 25,855,039	$ 18,997,559
Method of Financing:		
General Revenue Fund	$ 15,593,180	$ 15,841,700
Federal Funds	788,048	767,048
Other Funds		
Appropriated Receipts	2,368,788	2,368,788
Interagency Contracts	20,023	20,023
Bond Proceeds - General Obligation Bonds	7,085,000	0
Subtotal, Other Funds	$ 9,473,811	$ 2,388,811
Total, Method of Financing	$ 25,855,039	$ 18,997,559
Number of Full-Time-Equivalent Positions (FTE):	473.7	473.7
Number of FTEs in Riders:	2.0	2.0
Schedule of Exempt Positions:		
Superintendent, Group 3	$84,000	$84,000

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Construction of Buildings and Facilities to Complete the Texas School for the Deaf Master Plan Building Program	4,100,000	0
(2) Permanent Health Center	$ 2,710,000	$ 0
Total, Construction of Buildings and Facilities	$ 6,810,000	$ 0
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Connect Auditorium Heating, Ventilation and Cooling System to the Central Power Plant	$ 250,000	$ 0
c. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resources Technologies to Upgrade and Replace Hardware and Software	$ 130,000	$ 130,000

d. Transportation Items		
(1) Acquisition of School Buses and Vans to Provide Student Transportation	$ 75,000	$ 75,000
e. Acquisition of Capital Equipment and Items		
(1) Acquisition of Capital Equipment Items to Upgrade and Replace Capital Equipment Items in the Recreational Program	46,782	0
(2) Acquisition of Capital Equipment Items for a Comprehensive School Safety Program	$ 25,000	$ 0
Total, Acquisition of Capital Equipment and Items	$ 71,782	$ 0
Total, Capital Budget	$ 7,336,782	$ 205,000
Method of Financing (Capital Budget):		
General Revenue Fund	$ 251,782	$ 205,000
Bond Proceeds - General Obligation Bonds	7,085,000	0
Total, Method of Financing	$ 7,336,782	$ 205,000

2. **Educational Professional Salary Increases.** The funds appropriated in Strategy C.1.1, Educational Professional Salary Increases, are estimated General Revenue and are contingent upon the increases granted to comparable educational professionals in the Austin Independent School District. No later than November 1 of each year of the biennium, the Texas School for the Deaf shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

3. **Facility Construction Project.** It is the intent of the Legislature that the construction project at the Texas School for the Deaf's South Congress location be completed by the end of fiscal year 2003, including closure of the east campus location and consolidation of all students and services at the South Congress location. It is the intent of the Legislature that construction projects be completed before renovation projects.

   Notwithstanding any other provision of this Act, the general obligation bond proceeds appropriated above for facilities construction and repair, $7,085,000, may neither be carried forward nor expended in 2004. All of the funds associated with the facilities construction and repair projects are one-time only and shall not be considered in the calculation of TSD's base 2002–03 expenditures for the 2004–05 biennium.

   It is also the intent of the Legislature that TSD complete the construction project under the guidance and oversight of the General Services Commission.

4. **Classification of Residential Staff.** It is the intent of the Legislature that residential staff at the Texas School for the Deaf (including the "house parent" positions) shall be classified and compensated according to the Residential Specialist series as delineated in Article IX of this Act. Staff currently classified under the Correctional Officer series shall be reclassified by the Texas School for the Deaf under the Resident Specialist series.

5. **Telecommunication Infrastructure Fund Grant.** It is the intent of the Legislature that the Texas School for the Deaf apply for a grant from the Telecommunications Infrastructure Fund Board for funds to be used for technology outreach, teacher training in technology, and

infrastructure expansion within the TSD campus. Contingent on award of such funds, TSD's FTE cap is hereby increased by two FTEs per year.

The Texas School for the Deaf shall to the extent possible use available teleconferencing and other distance learning facilities at the Texas Education Agency and at Regional Educational Service Centers to provide technology outreach services.

SPECIAL PROVISIONS FOR THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED AND TEXAS SCHOOL FOR THE DEAF

1. **Services to Employees.** The governing boards may expend money for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment, so long as such items are medically prescribed equipment (e.g., eyeglasses, hearing aids, etc.).

2. **Emoluments.** The Superintendent is authorized to determine emoluments for certain positions provided that the provision of such emoluments is necessary to effectively carry out the job responsibilities of the position.

3. **Appropriation of Funds.** With respect to the following funds held outside the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2001 and 2002, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established subject to the approval of the respective governing board: the Expendable Trust Fund; the Student Trust Fund; the Student Activity Fund; and the Student Aid Fund.

   With respect to the following funds held within the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2001 and 2002, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established: Vocational Programs Fund; Technology Lending Fund; Curriculum Publications Fund; Independent School District Fund; State and County Available Fund and other funds brought into the State Treasury under Texas Government Code, Chapter 404.

   Funds received from sale of food and garbage and from the use of facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by organizations and other entities, including the Recording for the Blind, Inc., and any daycare center provider using the facilities, are appropriated for the use of the respective school subject to the approval of the governing board.

4. **Use of Facilities.** The respective governing boards of the Texas School for the Blind and Visually Impaired and Texas School for the Deaf may allow organizations related to the schools the use of the facilities of the physical plant; provided that said sessions do not interfere with the regular operations of the schools.

5. **Petty Cash Fund.** The Texas School for the Blind and Visually Impaired and Texas School for the Deaf may establish a petty cash fund not to exceed $5,000 for each school out of the funds appropriated herein. These funds shall be maintained in cash or at a local bank and shall be used only for making emergency payments and small purchases and payments which will increase the efficiency of the operation, payments to client workers on a regular pay-day basis, and for

use as a change fund in the cashier's office, canteen, and other specific locations where financial activities of the Schools require a change fund. Purchases and payments from this fund are limited to $200 per item.

6. **Assessments for LEAs.** For any assessments on students from Local Education Agencies, the Texas School for the Blind and Visually Impaired and Texas School for the Deaf shall make a reasonable charge for these services to the Local Education Agencies. A reasonable effort to collect for the assessments will be made by the schools.

7. **Certification and Appropriation of Medicaid Reimbursement.** The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall certify and/or transfer appropriated state funds to the Health and Human Services Commission or its designee for the state share of any Medicaid reimbursement for services provided to eligible students. The federal share of such reimbursement is appropriated to each respective school.

8. **Payments by School Districts.** All revenues collected from local school districts in excess of the funds appropriated above are hereby appropriated to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, respectively.

9. **Contingency Appropriation for House Joint Resolution 97 and House Bill 3064.** Contingent on approval of HJR 97 or similar legislation by the Seventy-seventh Legislature, Regular Session and Texas voters in November 2001, and adoption of HB 3064 or similar legislation by the Seventy-seventh Legislature, Regular Session:

   a. the funds appropriated above to the Texas School for the Blind and Visually Impaired include $5,134,000 in 2003 in general obligation bond proceeds for campus construction and renovation projects; and

   b. the funds appropriated above to the Texas School for the Deaf include $7,085,000 for the biennium ending August 31, 2003, in general obligation bond proceeds for campus construction and renovation projects.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD

	For the Years Ending August 31, 2002	August 31, 2003
Out of the Telecommunications Infrastructure Fund No. 345:		
A. Goal: PROVIDE GRANTS AND LOANS The Board will develop and provide grant programs for elementary and secondary school campuses, institutions of higher education, public and not-for-profit healthcare facilities, academic health science centers, and public libraries for purposes consistent with our legislative mandate.		
Outcome (Results/Impact):		
Percent of All Elementary and Secondary School Campuses Provided with Distance Learning Technologies through TIF Board Grants	15%	20%
Percent of All Elementary and Secondary School Campuses and Qualifying Entities Participating in TIF Board-funded Collaborative Efforts and Community Networks	10%	20%

A.1.1. Strategy: GRANTS & LOANS K-12 Provide grant programs to public schools that will allow the advancement of technology across institutional boundaries in order to ensure that elementary and secondary school campuses work together to develop beneficial partnerships through technology.	$ 105,000,000	$ 105,000,000
Output (Volume):		
Number of Grants and Loans Awarded	1,500	1,500
Number of Grants and Loans Awarded to Rural Elementary and Secondary School Campuses	250	500
Number of Grants and Loans Provided to Elementary and Secondary School Campuses with 50% or More At-risk Students	500	500
A.1.2. Strategy: GRANTS - QUALIFYING ENTITIES Provide grant programs to public schools and qualifying entities that will allow the advancement of technology across institutional boundaries in order to ensure that elementary and secondary school campuses, libraries, public and not-for-profit healthcare facilities, academic health science centers, and institutions of higher education work together to develop beneficial partnerships through technology.	$ 92,070,304	$ 92,804,975
Output (Volume):		
Number of Grants and Loans Awarded	1,125	1,125
Number of Grants and Loans Provided to Institutions in Rural Areas	507	507
Total, Goal A: PROVIDE GRANTS AND LOANS	$ 197,070,304	$ 197,804,975
B. Goal: GRANT IMPLEMENTATION The Board will administer grant and loan programs in a manner which ensures the most effective, efficient, and objective process for establishing a world-class telecommunications infrastructure that benefits all Texas.		
Outcome (Results/Impact):		
Percent of Grantees Achieving Acceptable Level of Compliance through TIF Board Monitoring Efforts	80%	85%
B.1.1. Strategy: GRANT IMPLEMENTATION Implement and administer grant and loan process.	$ 2,036,110	$ 1,284,870
Output (Volume):		
Number of Grant and Loan Requests Processed	2,625	2,625
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 893,586	$ 910,155
Grand Total, TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD	$ 200,000,000	$ 200,000,000
Number of Full-Time-Equivalent Positions (FTE):	23.0	23.0
Number of FTEs in Riders:	3.0	6.0
Schedule of Exempt Positions:		
Executive Director, Group 5	$104,000	$104,000

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD
(Continued)

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

	2002	2003
Out of the Telecommunications Infrastructure Fund No. 345:		
a. Acquisition of Information Resource Technologies		
(1) Workstation Replacement	25,000	34,000
(2) TIFBase/QA Module Maintenance	$ 75,000	$ 75,000
Total, Acquisition of Information Resource Technologies	$ 100,000	$ 109,000
Total, Capital Budget	$ 100,000	$ 109,000

2. **Limit on Transferability.** None of the funds appropriated above in Goal A, Provide Grants and Loans, may be transferred into either Goal B, Grant Implementation or Goal C, Indirect Administration without the prior approval of the Legislative Budget Board and the Governor. Such transfers may not exceed $1 million for the biennium.

3. **Unexpended Balances.** All unexpended balances in fiscal year 2002 in Goal A are hereby appropriated for the same purposes in fiscal year 2003.

4. **Appropriation of Additional Revenue.** Upon approval of the Legislative Budget Board and the Governor, the Telecommunications Infrastructure Fund Board is hereby appropriated revenue collected into Fund 345 above amounts estimated in the Comptroller's Biennial Revenue Estimate. These funds may only be used to provide grants and loans to qualifying entities as delineated in the Public Utility Regulation Act of 1995.

5. **Notification Requirements.** The Telecommunications Infrastructure Fund Board shall provide, on a bi-monthly basis, expenditure reports to the Legislative Budget Board and to the Governor. These reports shall include expenditure activity from all strategies, including grant and loan award amounts, and administrative expenses. The reports shall include actual cash expenditures and encumbrances. The Telecommunications Infrastructure Fund Board also shall provide, on a quarterly basis, status reports on all active professional services and consulting contracts.

6. **Staff for and Review of Grant Monitoring.** It is the intent of the Legislature that the Telecommunications Infrastructure Fund Board move its grant monitoring activities fully in-house. Contingent upon the Board action to accomplish this move, the Board's FTE cap is hereby increased by three FTEs in fiscal year 2002 and by six FTEs in fiscal year 2003. The additional staff positions shall be used to conduct grant monitoring.

   The Board also shall work with the State Auditor's Office to periodically review and evaluate its grant monitoring activities to determine their appropriateness and effectiveness.

* 7. **Contingency Appropriation: Senate Bill 1783.** Contingent upon the enactment of Senate Bill 1783, Seventy-seventh Legislature, Regular Session, if available revenue in the Telecommunications Infrastructure Fund (TIF) in the 2002–03 biennium is less than the sum of appropriations from the TIF contained in this Act, the Telecommunications Infrastructure Fund Board's appropriations for the 2002-03 biennium shall be reduced by the difference.

*See Veto Proclamation.

TEACHER RETIREMENT SYSTEM

		For the Years Ending August 31, 2002	August 31, 2003
	A. Goal: TEACHER RETIREMENT SYSTEM		
	To administer the system as an employee benefit trust.		
	Outcome (Results/Impact):		
	TRS Annual Operating Expense Per Active and Retired Member	25.2	25.2
	Percent of TRS-Care Participants Rating TRS-Care Services as Satisfactory or Better	95%	95%
	A.1.1. Strategy: TRS - PUBLIC EDUCATION RETIREMENT Make retirement contributions to the TRS pension fund for public education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.	$ 1,019,797,097	$ 1,060,551,220
	A.1.2. Strategy: TRS - HIGHER EDUCATION RETIREMENT Make retirement contributions to the TRS pension fund for higher education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.	$ 207,435,226	$ 215,732,635
	A.1.3. Strategy: ADMINISTRATIVE OPERATIONS Provide services to members, manage investments, and administer TRS retirement fund.	$ 35,484,000	$ 35,884,000
	Output (Volume):		
	Number of TRS Benefit Applications Processed	73,000	78,000
	Efficiencies:		
	Percent of TRS Retirees Who Receive Their First Annuity within 31 Days of Their Effective Retirement Date	98%	98%
	Average Customer Hold Time for Calls Received on Toll-free Number (in Minutes)	5	3
*	**A.2.1. Strategy:** TRS-HEALTH Provide group insurance benefits to retired public school employees by monitoring the performance of contracted benefit providers, communicating insurance plan features, and resolving benefit disputes. Estimated.	$ 381,035,657	$ 267,912,922
	Output (Volume):		
	Dollar Amount of Participating Network Savings	116,540,000	125,860,000
	Efficiencies:		
	Percent of Claims Adjudicated within 14 Days of Receipt	95%	95%
**	**A.3.1. Strategy:** ACTIVE EMPLOYEE PROGRAM Design and implement health insurance program for active school district employees	$ 3,000,000	$ 692,461,000
*	**Total, Goal A:** TEACHER RETIREMENT SYSTEM	$ 1,646,751,980	$ 2,272,541,777
*	**Grand Total,** TEACHER RETIREMENT SYSTEM	$ 1,646,751,980	$ 2,272,541,777
***	**Method of Financing:**		
	General Revenue Fund	$ 1,563,736,496	$ 2,185,399,294
	GR Dedicated - Estimated Other Educational and General Income Account No. 770	46,587,484	50,314,483
	Teacher Retirement System Trust Account Fund No. 960	36,428,000	36,828,000
	Total, Method of Financing	$ 1,646,751,980	$ 2,272,541,777

*Modified per changes in House Bill 3343.
**Added per changes in House Bill 3343.
***Modified Method of Financing.

* **Number of Full-Time-Equivalent Positions (FTE):**	448.0	448.0
Schedule of Exempt Positions:		
Executive Director	$165,360	$165,360
Chief Investment Officer	300,000	300,000
Investment Fund Director	(4) 160,008	(4) 160,008
Supplemental Appropriations Made in Riders:	$ 22,000,000	$ 0

1. **Capital Budget.** None of the funds appropriated above for Strategy A.1.3, Administrative Operations, may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	2002	2003
Out of the Teacher Retirement System Trust Account Fund No. 960:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Building Renovations	144,200	108,000
(2) A/C Cooling Tower	180,000	0
(3) Energy Management System	30,000	8,000
(4) Fire Alarm System Replacement	$ 200,000	$ 0
Total, Repair or Rehabilitation of Buildings and Facilities	$ 554,200	$ 116,000
b. Acquisition of Information Resource Technologies		
(1) Imaging System Upgrade	170,000	70,000
(2) DASD Upgrade	0	250,000
(3) Mainframe and Peripheral Upgrades	202,000	108,000
(4) PC Workstation Upgrades	300,500	255,000
(5) Telecommunications Upgrade	897,500	687,500
(6) SANS - Storage Area Network	200,000	50,000
(7) Legislation-Related Pension System Modifications	0	500,000
(8) Investment Software Upgrades	$ 500,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 2,270,000	$ 1,920,500
c. Acquisition of Capital Equipment and Items		
(1) Furniture & Modular Workstations	66,500	0
(2) Emergency Power Generator	$ 130,000	$ 0
Total, Acquisition of Capital Equipment and Items	$ 196,500	$ 0
Total, Capital Budget	$ 3,020,700	$ 2,036,500

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

3. **State Contribution to Teacher Retirement Program.** The amounts specified above in A.1.1, TRS-Public Education Retirement, and A.1.2, TRS-Higher Education Retirement, are based on a state contribution of 6.00 percent of payroll for each fiscal year, estimated.

*Modified per changes in House Bill 3343.

4. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** Of the amounts specified above in A.2.1, TRS-Health, $95,520,621 in fiscal year 2002 and $101,251,859 in fiscal year 2003 are based on a state contribution rate of 0.50 percent of payroll for each fiscal year, estimated. Also included in the appropriation is a sum certain amount of $285,515,036 in fiscal year 2002 and $166,661,063 in fiscal year 2003.

5. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Teacher Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by VTCA, Government Code § 825.517.

6. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above in A.1.2, TRS-Higher Education Retirement, from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in the Article IX provision entitled Salaries to be Proportional by Fund.

7. **Exempt Positions.** Notwithstanding the limitations contained in the Article IX provision entitled Scheduled Exempt Positions, the TRS Board of Trustees may determine the salaries of the positions listed above in the Schedule of Exempt Positions without limitation.

8. **Travel Expenditures.** Notwithstanding the limitations on travel expenditures contained in Article IX of this Act, the annual travel cap for the Teacher Retirement System is hereby set at $425,000 for each year of the biennium. The additional authority is provided to allow TRS' investment professionals greater personal access to financial centers, investment experts, and investor information.

9. **Contingency Appropriation for School Employee Health Insurance Program.** Contingent upon passage of HB3343, SJR52, or other legislation relating to health care benefit programs for active and retired school district employees, the amounts appropriated to the Teacher Retirement System in Strategy A.1.1, TRS - Public Education Retirement, and Strategy A.2.1, TRS - Health, shall be reallocated by the Legislative Budget Board according to the provisions of that legislation. In addition, all revenues remaining from the annual fee paid by active school district employees in fiscal years 1994–1997 and deposited into the Retired School Employees Group Insurance Trust Fund, estimated to be $22 million, are hereby appropriated to the Teacher Retirement System in fiscal year 2002 for costs incurred in the design and implementation of an active school district employee health insurance program.

   Funds provided herein may be used for providing health care programs to active and retired school district employees, including administrative costs. To the extent authorized by the legislation, the Number of Full-Time Equivalent Positions shall be increased in order to implement the provisions of the legislation. In addition, the Teacher Retirement System is hereby authorized to exceed authorized capital budget amounts to the extent necessary to implement a health insurance program for active school district employees. The Legislative Budget Board shall make appropriate technical adjustments to all necessary strategies, measures and riders to implement and reflect the provisions of the legislation, including appropriate interagency transfers.

OPTIONAL RETIREMENT PROGRAM

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: OPTIONAL RETIREMENT PROGRAM Provide contributions to the Optional Retirement Program as administered by the Higher Education Coordinating Board.		
A.1.1. Strategy: OPTIONAL RETIREMENT PROGRAM Provide an Optional Retirement Program for faculty and certain administrative staff at public institutions of higher education. Estimated.	$ 106,043,261	$ 111,345,424
Output (Volume):		
Number of ORP Participants	38,279	38,662
Grand Total, OPTIONAL RETIREMENT PROGRAM	$ 106,043,261	$ 111,345,424
Method of Financing:		
General Revenue Fund	$ 94,802,675	$ 99,542,809
GR Dedicated - Estimated Other Educational and General Income Account No. 770	11,240,586	11,802,615
Total, Method of Financing	$ 106,043,261	$ 111,345,424

1. **State Contribution to Optional Retirement Program.** The amount specified above in A.1.1, Optional Retirement Program, is based on a state contribution rate of 6.0 percent of payroll for each fiscal year, estimated. Institutions of higher education and the Texas Education Agency, if applicable, are required to certify estimates of state contributions required for payment to the Comptroller, and the Comptroller shall allocate the state contributions to institutions and the Texas Education Agency pursuant to VTCA, Government Code § 830.202.

2. **Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.** Institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide the same employer contribution during the 2002–03 biennium, for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995, as they received during the 1994–95 biennium.

3. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in Article IX of this Act.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: GROUP INSURANCE, STATE CONTRIBUTION		
Group Insurance, State Contributions.		
A.1.1. Strategy: UT - ARLINGTON The University of Texas at Arlington.	$ 8,350,762	$ 9,387,927
A.1.2. Strategy: UT - AUSTIN The University of Texas at Austin.	$ 26,647,869	$ 29,957,534
A.1.3. Strategy: UT - DALLAS The University of Texas at Dallas.	$ 4,246,048	$ 4,773,407
A.1.4. Strategy: UT - EL PASO The University of Texas at El Paso.	$ 7,004,692	$ 7,874,675
A.1.5. Strategy: UT - PAN AMERICAN The University of Texas - Pan American.	$ 3,840,702	$ 4,317,717
A.1.6. Strategy: UT - BROWNSVILLE The University of Texas at Brownsville.	$ 823,199	$ 925,440
A.1.7. Strategy: UT - PERMIAN BASIN The University of Texas of the Permian Basin.	$ 895,248	$ 1,006,438
A.1.8. Strategy: UT - SAN ANTONIO The University of Texas at San Antonio.	$ 5,676,691	$ 6,381,736
A.1.9. Strategy: UT - TYLER The University of Texas at Tyler.	$ 1,953,076	$ 2,195,648
A.1.10. Strategy: UT SW MEDICAL - DALLAS The University of Texas Southwestern Medical Center at Dallas.	$ 7,852,801	$ 8,828,119
A.1.11. Strategy: UT MEDICAL - GALVESTON The University of Texas Medical Branch at Galveston.	$ 35,376,190	$ 39,769,913
A.1.12. Strategy: UTHSC - HOUSTON The University of Texas Health Science Center at Houston.	$ 9,816,603	$ 11,035,825
A.1.13. Strategy: UTHSC - SAN ANTONIO The University of Texas Health Science Center at San Antonio.	$ 11,721,448	$ 13,177,252
A.1.14. Strategy: UT MD ANDERSON The University of Texas M. D. Anderson Cancer Center.	$ 9,524,119	$ 10,707,015
A.1.15. Strategy: UT HEALTH CENTER - TYLER The University of Texas Health Center at Tyler.	$ 3,077,420	$ 3,459,636
A.1.16. Strategy: TEXAS SOUTHMOST (UT) Texas Southmost College (UT Share).	$ 1,438,404	$ 1,617,054
A.1.17. Strategy: UT SYSTEM ADMINISTRATION The University of Texas System Administration.	$ 33,017	$ 37,118
A.1.18. Strategy: TEXAS A&M UNIVERSITY	$ 28,560,500	$ 32,107,714
A.1.19. Strategy: A&M SYSTEM HEALTH SCIENCE CENTER Texas A&M University System Health Science Center.	$ 2,721,665	$ 3,059,696

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

A.1.20. Strategy: A&M - GALVESTON Texas A&M University at Galveston.	$	942,248	$	1,059,275
A.1.21. Strategy: PRAIRIE VIEW A&M Prairie View A&M University.	$	2,711,435	$	3,048,195
A.1.22. Strategy: TARLETON STATE UNIVERSITY	$	2,698,677	$	3,033,853
A.1.23. Strategy: A&M - CORPUS CHRISTI Texas A&M University - Corpus Christi.	$	2,866,693	$	3,222,736
A.1.24. Strategy: A&M - KINGSVILLE Texas A&M University - Kingsville.	$	3,246,836	$	3,650,093
A.1.25. Strategy: A&M - INTERNATIONAL Texas A&M International University.	$	1,473,621	$	1,656,645
A.1.26. Strategy: WEST TEXAS A&M West Texas A&M University.	$	2,850,439	$	3,204,464
A.1.27. Strategy: TEXAS A&M UNIVERSITY - COMMERCE	$	3,714,968	$	4,176,367
A.1.28. Strategy: TEXAS A&M UNIVERSITY - TEXARKANA	$	525,535	$	590,806
A.1.29. Strategy: AG EXPERIMENT STATION Texas Agricultural Experiment Station.	$	6,376,587	$	7,168,559
A.1.30. Strategy: AG EXTENSION SERVICE Texas Agricultural Extension Service.	$	7,974,437	$	8,964,862
A.1.31. Strategy: ENG EXPERIMENT STATION Texas Engineering Experiment Station.	$	1,590,438	$	1,787,970
A.1.32. Strategy: TRANSPORTATION INSTITUTE Texas Transportation Institute.	$	322,781	$	362,870
A.1.33. Strategy: ENG EXTENSION SERVICE Texas Engineering Extension Service.	$	346,244	$	389,248
A.1.34. Strategy: TEXAS FOREST SERVICE	$	1,978,516	$	2,224,248
A.1.35. Strategy: WILDLIFE DAMAGE MANAGEMENT SERVICE	$	602,401	$	677,219
A.1.36. Strategy: VET MEDICAL DIAGNOSTIC LAB Texas Veterinary Medical Diagnostic Laboratory.	$	339,767	$	381,967
A.1.37. Strategy: TEXAS FOOD & FIBERS COMM Texas Food and Fibers Commission.	$	19,110	$	21,483
A.1.38. Strategy: A&M SYSTEM ADMINISTRATION Texas A&M University System Administration.	$	21,554	$	24,231
A.2.1. Strategy: UNIVERSITY OF HOUSTON	$	12,658,928	$	14,231,167
A.2.2. Strategy: UH - CLEAR LAKE University of Houston - Clear Lake.	$	1,912,416	$	2,149,938
A.2.3. Strategy: UH - DOWNTOWN University of Houston - Downtown.	$	1,528,285	$	1,718,098
A.2.4. Strategy: UH - VICTORIA University of Houston - Victoria.	$	585,749	$	658,499
A.2.5. Strategy: UH SYSTEM ADMINISTRATION The University of Houston System Administration.	$	378,837	$	425,889
A.2.6. Strategy: LAMAR UNIVERSITY-BEAUMONT Lamar University - Beaumont.	$	3,964,980	$	4,457,431
A.2.7. Strategy: LUIT Lamar University Institute of Technology.	$	424,104	$	476,778
A.2.8. Strategy: LAMAR UNIVERSITY - ORANGE	$	505,220	$	567,968
A.2.9. Strategy: LAMAR UNIV - PORT ARTHUR Lamar University - Port Arthur.	$	723,187	$	813,007
A.2.10. Strategy: ANGELO STATE UNIVERSITY	$	2,334,495	$	2,624,439

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

A.2.11. Strategy: SAM HOUSTON STATE UNIV Sam Houston State University.	$ 4,358,161	$ 4,899,445
A.2.12. Strategy: SOUTHWEST TX STATE UNIV Southwest Texas State University.	$ 7,316,598	$ 8,225,319
A.2.13. Strategy: SUL ROSS STATE UNIVERSITY	$ 1,407,402	$ 1,582,201
A.2.14. Strategy: SUL ROSS STATE-RIO GRANDE COLLEGE Sul Ross State University - Rio Grande College.	$ 224,947	$ 252,885
A.2.15. Strategy: TEXAS STATE SYSTEM ADMIN Texas State University System Administration.	$ 63,258	$ 71,114
A.2.16. Strategy: MIDWESTERN STATE UNIV Midwestern State University.	$ 1,927,736	$ 2,167,161
A.2.17. Strategy: UNIVERSITY OF NORTH TEXAS	$ 10,519,621	$ 11,826,158
A.2.18. Strategy: UNT HEALTH SCIENCE CENTER University of North Texas Health Science Center at Fort Worth.	$ 3,101,452	$ 3,486,652
A.2.19. Strategy: STEPHEN F. AUSTIN Stephen F. Austin State University.	$ 4,724,962	$ 5,311,802
A.2.20. Strategy: TEXAS SOUTHERN UNIVERSITY	$ 3,255,185	$ 3,659,479
A.2.21. Strategy: TEXAS TECH UNIVERSITY	$ 15,482,366	$ 17,405,276
A.2.22. Strategy: TEXAS TECH HEALTH SCI CTR Texas Tech University Health Sciences Center.	$ 10,659,312	$ 11,983,199
A.2.23. Strategy: TEXAS WOMAN'S UNIVERSITY	$ 4,769,063	$ 5,361,381
A.2.24. Strategy: TSTC - HARLINGEN Texas State Technical College - Harlingen.	$ 1,419,117	$ 1,595,371
A.2.25. Strategy: TSTC - WEST TEXAS Texas State Technical College - West Texas.	$ 779,985	$ 876,859
A.2.26. Strategy: TSTC - WACO Texas State Technical College - Waco.	$ 2,088,012	$ 2,347,343
A.2.27. Strategy: TSTC - MARSHALL Texas State Technical College - Marshall.	$ 296,471	$ 333,293
A.2.28. Strategy: TSTC - SYSTEM ADMIN Texas State Technical College System Administration.	$ 2,198,293	$ 2,471,321
A.2.29. Strategy: PUB COMMUNITY/JR COLLEGES Public Community/Junior Colleges.	$ 119,275,774	$ 134,089,827
Total, Goal A: GROUP INSURANCE, STATE CONTRIBUTION	$ 429,046,657	$ 482,334,255
Grand Total, HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS	$ 429,046,657	$ 482,334,255

1. **State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Insurance Program.** Funds identified above for group insurance are intended to fund:

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

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

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

General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education paying for health insurance costs from non-General Revenue funds shall provide the same levels of premium-sharing for SKIP enrollees as provided for those higher education employees with health insurance paid from General Revenue funds.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

2. **The University of Texas System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

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

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The University of Texas System shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller by September 1 of each year, detailing all group health insurance plans to be offered system employees and retirees, the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of The University of Texas System are authorized to use one-half of the "employee-only" state contribution amount, for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by The University of Texas System. Active and retired employees that participate in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating that they have health insurance coverage from another source.

3. **Texas A&M System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

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

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

The Texas A&M System shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller by September 1 of each year, detailing all group health insurance plans to be offered system employees and retirees, the benefit schedule, premium amounts, and employee/retiree contributions.

Active and retired employees of the Texas A&M System are authorized to use one-half of the "employee-only" state contribution amount, for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by the Texas A&M System. Active and retired employees that participate in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating that they have health insurance coverage from another source.

4. **Transfer Authority.** Out of the funds appropriated above:

   a. The Comptroller shall transfer monthly, 1/12 of the amount appropriated from those institutions participating in the Employees Retirement System's Uniform Group Insurance Program to the Employees Life, Accident, and Health Insurance and Benefits Fund No. 973, for use by the Employees Retirement System for each higher education institution which participates in the group insurance program of the Employees Retirement System.

   b. The Comptroller shall transfer monthly, 1/12 of the amount appropriated from state contributions for institutions belonging to the University of Texas and Texas A&M Systems, to The University of Texas System Office and the Texas A&M University System Office, for use by each institution's group insurance program.

5. **Specification of Appropriations.** The amount of the appropriation made for Strategy A.2.29, Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.

6. **Appropriations Transfers.**

   a. Funds appropriated above to institutions other than those belonging to the University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual general revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for general revenue group insurance premiums at any of the higher education institutions named above. Funds appropriated above to components of the University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

b. The Employees Retirement System, the University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller by December 1 of each year, detailing any such transfers.

c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, $3,690,433 in fiscal year 2002 and $4,148,785 in fiscal year 2003 is for the purpose of paying general revenue group insurance premiums for correctional managed health care employees. Out of the funds appropriated above in Strategy A.2.22, Texas Tech University Health Sciences Center, $3,490,934 in fiscal year 2002 and $3,924,508 in fiscal year 2003 is for the purpose of paying general revenue group insurance premiums for employees paid from managed health care contracts associated with Texas Youth Commission and Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

HIGHER EDUCATION COORDINATING BOARD*

		For the Years Ending August 31, 2002		August 31, 2003
	A. Goal: COORDINATE HIGHER EDUCATION			
	Coordinate higher education in Texas and promote quality and access in all aspects of higher education.			
	Outcome (Results/Impact):			
	Percentage of Community College Technical Programs Evaluated	25%		25%
	Retention Rate of Students Completing Required Developmental Education	88.5%		88.5%
**	**A.1.1. Strategy:** INFORMATION AND PLANNING	$ 7,277,964**	$	1,842,714
	Plan for higher education and provide information on higher education.			
	Output (Volume):			
	Number of Studies on Higher Education Conducted	26		26
	A.1.2. Strategy: UNIVERSITY PROGRAMS	$ 1,097,456	$	1,097,456
	Coordinate and evaluate university programs.			
	Explanatory:			
	Percentage of Students Completing TASP Required Developmental Education within Two Semesters or less	60%		60%
	Percentage of University Students Graduating within Six Years	49.2%		49.2%
	A.1.3. Strategy: COMMUNITY/TECHNICAL PROGRAMS	$ 574,109	$	574,109
	Coordinate and evaluate community and technical college programs.			
	Output (Volume):			
	Number of Proprietary and Community and Technical College Programs Reviewed	1,800		1,800
	Explanatory:			
	Percentage of Students Completing TASP-required Developmental Education within Two Semesters or less	37%		37%
	A.1.4. Strategy: HEALTH PROGRAMS	$ 283,066	$	283,066
	Coordinate and evaluate health programs.			
	Output (Volume):			
	Number of Health-related Programs and Administrative Changes Reviewed	65		65
	A.1.5. Strategy: ADMINISTER RESEARCH PROGRAMS	$ 273,940	$	273,940
	Administer and evaluate research programs.			

*See also House Bill 1333.
**Modified per House Bill 2879.

	Output (Volume):		
	Dollars of Additional Funding Received as a Result of Advanced Technology Program or Advanced Research Program Funding (in Thousands)	0	210,000
	A.2.1. Strategy: GRANTS AND SCHOLARSHIPS	$ 1,067,269	$ 1,067,269
	Administer student grant and scholarship programs.		
	Output (Volume):		
*	Number of Grants or Scholarships Awarded	98,487	115,607
*	Amount of Grant and Scholarship Funds Distributed (in Millions)	244	270
	A.2.2. Strategy: ACCESS AND EQUITY	$ 310,324	$ 310,324
	Promote access and equity in higher education.		
	Explanatory:		
	Percentage of African-American and Hispanic Students Graduating within Six Years	49.2%	49.2%
	Percentage of Faculty Who Are African-American or Hispanic	14.7%	14.7%
	Percentage of Students Enrolled in Colleges Who Are African-American or Hispanic	36.5%	37.5%
	Percentage of Anglo High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
	Percentage of African-American High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
	Percentage of Hispanic High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
	Percentage of Other High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
*	**Total, Goal A:** COORDINATE HIGHER EDUCATION	$ 10,884,128	$ 5,448,878
	B. Goal: HINSON-HAZLEWOOD LOAN PROGRAM		
	Make loans available to college students who need financial assistance to attend college.		
	B.1.1. Strategy: HINSON-HAZLEWOOD LOAN PROGRAM	$ 4,061,850	$ 4,061,850
	Administer the Hinson-Hazlewood College Student Loan Program.		
	Output (Volume):		
	Number of Students Receiving Loans	16,000	16,000
	Dollar Amount of Outstanding Loans (in Thousands)	632,500	632,500
	Efficiencies:		
	Default Rate on Hinson-Hazlewood Loans	7.1%	7.1%
	C. Goal: PROVIDE TRUSTEED FUNDS		
	Provide state funding to institutions and students through a variety of special programs designed to improve the quality and delivery of instruction, increase access to higher education, improve health care in Texas, and facilitate research at Texas institutions.		
	Outcome (Results/Impact):		
	Number of Students Attending Independent Colleges and Universities as a Percentage of Total Enrollment	11%	11%
	Percentage of Baylor College of Medicine Graduates Entering Texas Residency Programs	55%	55%
	Percentage of Baylor College of Medicine Graduates Entering Primary Care Residencies	55%	55%
	Percentage of Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	99%	99%
	Percentage of Family Practice Residency Program Completers Practicing in Medically Underserved Areas	6.5%	6.5%
	Percentage of Family Practice Residency Program Completers Practicing in Texas	87%	87%

*Modified per House Bill 2879.

Percentage of Students Completing First Year of College in a Texas Institution of Higher Learning Without Being Required to Take Developmental Courses	82%	82%
Pass Rate of Education EXCET Exam at Centers for Teacher Education	70%	70%
C.1.1. Strategy: PHYSICIAN'S EDUCATION LOAN PROGRAM	$ 979,362	$ 979,362
Physician's Education Loan Repayment Program.		
C.1.2. Strategy: TUITION EQUALIZATION GRANT PROGRAM	$ 82,200,337	$ 82,200,337
Tuition Equalization Grants (TEG) Program.		
Output (Volume):		
Number of Students Receiving Grants	31,000	31,000
Average Award	2,650	2,650
Retention Rate of TEG Recipients after One Academic Year	60%	60%
Percentage of TEG Recipients Who Earn a Baccalaureate Degree within Six Academic Years	50%	50%
Percentage of TEG Recipients Who Are Minority Students	40%	40%
C.1.3. Strategy: TEXAS NEW HORIZONS SCHOLARSHIP FUND	$ 1,506,990	$ 1,506,990
C.1.4. Strategy: TEXAS COLLEGE WORK STUDY PROGRAM	$ 1,911,219	$ 1,911,219
Output (Volume):		
Number of Students Employed	3,250	3,250
C.1.5. Strategy: STUDENT INCENTIVE GRANT PROGRAM	$ 1,433,414	$ 1,433,414
C.1.6. Strategy: TEXAS ACADEMIC SKILLS PROGRAM	$ 98,720	$ 98,720
C.1.7. Strategy: PROFESSIONAL NURSING AID	$ 405,893	$ 405,893
Financial aid for professional nursing students.		
C.1.8. Strategy: VOCATIONAL NURSING AID	$ 77,635	$ 77,635
Financial aid for licensed vocational nursing students.		
C.1.9. Strategy: LICENSE PLATE SCHOLARSHIPS	$ 63,000	$ 63,000
C.1.10. Strategy: FAMILY PRACTICE REPAYMENT PROGRAM	$ 493,600	$ 493,600
Family Practice Residency Education Loan Repayment Program.		
C.1.11. Strategy: TUITION ASSISTANCE GRANTS	$ 5,148,080	$ 5,148,080
C.1.12. Strategy: NATIONAL GUARD ROTC PROGRAM	$ 40,000	$ 0
C.1.13. Strategy: FIFTH-YEAR ACCOUNTING STUDENTS	$ 660,158	$ 660,158
C.1.14. Strategy: EARLY HS GRADUATION PROGRAM	$ 2,300,000	$ 2,300,000
Early High School Graduation Scholarship Program.		
C.1.15. Strategy: TANF SCHOLARSHIP PROGRAM	$ 225,000	$ 225,000
Temporary Assistance for Needy Families Scholarship Program.		
C.1.16. Strategy: CERTIFIED EDUCATIONAL AIDE PROGRAM	$ 2,000,000	$ 2,000,000
C.1.17. Strategy: TEXAS GRANT PROGRAM	$ 147,670,000	$ 147,670,000
Toward, EXcellence, Access, and Success (TEXAS) Grant Program.		
Output (Volume):		
Number of Students Receiving Awards	44,844	60,879
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Universities	90%	90%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Community and Junior Colleges	80%	80%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Technical Colleges	72%	72%

	Percentage of TEXAS Grant Recipients Who Earn a Baccalaureate Degree within Six Academic Years	60%	60%
	Percentage of TEXAS Grant-eligible High School Graduates Who Receive a TEXAS Grant upon Enrollment in a Higher Education Institution	85%	85%
*	**C.1.18. Strategy:** TEACH FOR TEXAS CONDITIONAL GRANTS	$ 13,000,000*	$ 2,000,000
	Teach for Texas Conditional Grant Program.		
	Output (Volume):		
*	Number of Students Receiving Awards	750	1,835
	C.1.19. Strategy: CHILD-CARE WORKER LOAN REPAY	$ 373,825	$ 373,825
	Early childhood child-care worker student loan repayment program.		
	C.1.20. Strategy: STATE MILITARY TUITION ASSISTANCE	$ 2,000,000	$ 2,000,000
	State military forces tuition payment assistance.		
	C.1.21. Strategy: DENTIST'S EDUCATION LOAN PROGRAM	$ 117,747	$ 117,747
	Dentist's Education Loan Repayment Program.		
	C.1.22. Strategy: BORDER FACULTY LOAN REPAYMENT PROG	$ 50,000	$ 50,000
	Border Faculty Loan Repayment Program.		
	C.2.1. Strategy: BAYLOR COLLEGE OF MEDICINE	$ 39,046,816	$ 39,046,816
	Output (Volume):		
	Average Amount Per Student	68,744	68,744
	C.2.2. Strategy: FAMILY PRACTICE RESIDENCY PROGRAM	$ 10,532,253	$ 10,532,253
	Output (Volume):		
	Number of Residents Supported	730	730
	Average Funding Per Resident	13,750	13,750
	C.2.3. Strategy: RESIDENT PHYSICIANS COMPENSATION	$ 4,035,119	$ 4,035,119
	Resident Physicians Compensation Program.		
	Output (Volume):		
	Number of Residents Supported	1,180	1,180
	C.2.4. Strategy: FAMILY PRACTICE PILOT PROJECTS	$ 987,200	$ 987,200
	C.2.5. Strategy: PRECEPTORSHIP PROGRAM	$ 1,000,000	$ 1,000,000
	Output (Volume):		
	Number of Medical Students Participating in the Internal Medicine Statewide Preceptorship Program	190	195
	Number of Medical Students Participating in the Statewide Pediatric Preceptorship Program	185	190
	C.2.6. Strategy: PRIMARY CARE RESIDENCY PROGRAM	$ 3,084,730	$ 3,084,730
	C.2.7. Strategy: GRADUATE MEDICAL EDUCATION	$ 8,000,000	$ 8,000,000
	C.2.8. Strategy: CHIROPRACTIC COLLEGES	$ 250,000	$ 250,000
**	**C.2.9. Strategy:** JOINT ADMISSION MEDICAL PROGRAM	$ 4,000,000	$ UB
	C.3.1. Strategy: ADVANCED RESEARCH PROGRAM	$ 19,604,927	$ UB
	Output (Volume):		
	Number of Research Projects Funded	175	0
	C.3.2. Strategy: ADVANCED TECHNOLOGY PROGRAM	$ 39,268,727	$ UB
	Output (Volume):		
	Number of Research Projects Funded	240	0
	C.4.1. Strategy: SOUTHERN REGIONAL EDUCATION COMPACT	$ 157,000	$ 159,500
	C.4.2. Strategy: DEVELOPMENTAL EDUCATION PROGRAM	$ 5,106,849	$ 5,756,849
	Explanatory:		
	Dollars Spent from All Sources on Developmental Education	96,500,000	96,500,000
	C.4.3. Strategy: STARLINK	$ 350,000	$ 350,000
	C.4.4. Strategy: TEACHER EDUCATION	$ 3,875,000	$ 3,875,000
	Centers for Teacher Education.		

*Modified per House Bill 2879.
**Added per House Bill 2879.

	Output (Volume):			
	Number of Students Enrolled in Educator Preparation Programs	200		200
	Number of Graduates of Educator Preparation Programs	75		75
	C.4.5. Strategy: TWO-YEAR ENROLLMENT GROWTH	$ 5,000,000	$	5,000,000
	Two-year Institution Enrollment Growth.			
	C.4.6. Strategy: GENERAL ACADEMIC DEVELOPMENTAL ED	$ 150,000	$	UB
	General Academic Developmental Education Accountability Pilot Program.			
	C.4.7. Strategy: COMMUNITY/TECH DEVELOPMENTAL ED	$ 500,000	$	UB
	Community and Technical College Developmental Education Accountability Pilot Program.			
	C.4.8. Strategy: RETENTION PERFORMANCE FUND	$ 250,000	$	250,000
	Economically Disadvantaged Freshman Retention Performance Fund Pilot Program.			
	C.4.9. Strategy: GENERAL ACADEMIC ENROLLMENT GROWTH	$ 5,574,094	$	5,574,094
	General Academic Institution Enrollment Growth.			
	C.4.10. Strategy: HEALTH-RELATED NURSING GROWTH	$ 723,719	$	723,719
	Health-related Institution Nursing Enrollment Growth.			
	C.4.11. Strategy: NEW CAMPUS - WHARTON JUNIOR COLLEGE	$ 1,900,000	$	UB
	New Campus Funding at Wharton Junior College.			
	C.4.12. Strategy: AFRICAN AMERICAN MUSEUM INTERNSHIP	$ 50,000	$	50,000
	African American Museum Professional Internship.			
*	**Total, Goal C:** PROVIDE TRUSTEED FUNDS	$ 416,201,414*	$	340,390,260
	D. Goal: FEDERAL GRANT PROGRAMS			
	Provide federal funding to institutions and students to improve higher education in Texas.			
	D.1.1. Strategy: STUDENT FINANCIAL AID	$ 6,203,617	$	6,203,617
	Student financial assistance programs.			
	D.1.2. Strategy: TECHNICAL/VOCATIONAL PROGRAMS	$ 41,686,624	$	41,686,624
	Technical-vocational education programs.			
	D.1.3. Strategy: MATHEMATICS AND SCIENCE PROGRAMS	$ 4,260,237	$	4,260,237
	Total, Goal D: FEDERAL GRANT PROGRAMS	$ 52,150,478	$	52,150,478
	E. Goal: INDIRECT ADMINISTRATION			
	E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,670,693	$	1,670,693
	E.1.2. Strategy: INFORMATION RESOURCES	$ 2,687,967	$	2,687,967
	E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 2,125,658	$	2,134,658
	Total, Goal E: INDIRECT ADMINISTRATION	$ 6,484,318	$	6,493,318
*	**Grand Total,** HIGHER EDUCATION COORDINATING BOARD	$ 489,782,188*	$	408,544,784

*Modified per House Bill 2879.

	Method of Financing:		
	General Revenue Fund		
*	General Revenue Fund	$ 421,774,792*	$ 340,972,638
	Earned Federal Funds, estimated	490,000	490,000
*	Subtotal, General Revenue Fund	$ 422,264,792*	$ 341,462,638
	General Revenue Fund - Dedicated		
	Scholarship Fund for Fifth Year Accounting Students Account No. 106	710,158	710,158
	Medical School Tuition Set Aside Account No. 542, estimated	700,000	700,000
	Texas Collegiate License Plate Program Account No. 5015, estimated	50,000	50,000
	Houston Livestock Show and Rodeo Scholarships Fund Account No. 5034, estimated	3,000	3,000
	Girl Scout License Plates Account No. 5052, estimated	10,000	10,000
	Subtotal, General Revenue Fund - Dedicated	$ 1,473,158	$ 1,473,158
	Federal Funds	52,150,478	52,150,478
	Other Funds		
	Telecommunications Infrastructure Fund No. 345	827,500	392,250
	Appropriated Receipts (Matching Grants), estimated	855,000	855,000
	Certificate of Authority Fees, estimated	18,000	18,000
	Interagency Contracts	373,825	373,825
	Student Loan Funds, estimated	7,096,888	7,096,888
	Tax Reimbursement Grants, estimated	60,000	60,000
	Certification and Proprietary School Fees, estimated	137,547	137,547
	Interagency Contracts - Transfers from Foundation School Fund No. 193, estimated	4,525,000	4,525,000
	Subtotal, Other Funds	$ 13,893,760	$ 13,458,510
*	**Total, Method of Financing**	$ 489,782,188*	$ 408,544,784
	Number of Full-Time-Equivalent Positions (FTE):	283.0	283.0
	Schedule of Exempt Positions:		
	Commissioner of Higher Education, Group 6	$150,000	$150,000
	Supplemental Appropriations Made in Riders:	$ 7,851,000	$ 5,000,000

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

*Modified per House Bill 2879.

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) PC Workstation Hardware	182,690	182,690
(2) Telecommunications Hardware	90,000	90,000
(3) Software	50,000	50,000
(4) Information Access Initiative	$ 85,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 407,690	$ 322,690
Total, Capital Budget	$ 407,690	$ 322,690
Method of Financing (Capital Budget):		
General Revenue Fund	$ 322,690	$ 322,690
Telecommunications Infrastructure Fund No. 345	85,000	0
Total, Method of Financing	$ 407,690	$ 322,690

2. **Commissioner's Salary.** The Coordinating Board is hereby authorized to utilize $77,851 per year from general revenue funds appropriated to Goal E, in 2002 and 2003 and any earned funds including federal funds received under 20 USC 1087-1 as a lender of Hinson-Hazlewood Student Loans, for the purpose of funding the salary of the Commissioner of Higher Education at a rate NTE $150,000 per year in 2002 and 2003.

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

4. **Student Loan Program.** All moneys in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, §§ 50b and 50b-1, 50b-2, 50b-3, 50b-4, and 50b-5 of the Texas Constitution and VTCA, Education Code §§ 52.01-52.90 and 56.121-56.135.

5. **Federal Lenders Allowance.** In accordance with the provisions of VTCA, Education Code § 52.17(e), it is the intent of the Legislature that the Coordinating Board shall expend to the maximum extent possible, Federal Lenders Special Allowance revenue (Earned Federal Funds) for the support of programs authorized to use this funding source in § 52.17(e).

6. **Physician's Education Loan Repayment Program.** The funds provided to Strategy C.1.1, Physician's Education Loan Repayment Program, are appropriated in accordance with VTCA, Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements. All balances in the General Revenue Fund-Dedicated-Medical School Tuition Set Aside Account as of August 31, 2001, and all Medical School Tuition Set Aside receipts received during the biennium are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2003, for the same purpose.

7. **Texas Public Educational Grants Program.** Unless a different percentage is set by passage of legislation amending the Texas Education Code, it is the intent of the Legislature that the amount of tuition to be set aside for the Texas Public Educational Grants Program shall be 15 percent in fiscal years 2002 and 2003.

8. **License Plate Scholarship Program.**

   a. Texas Collegiate License Plate Scholarships. In addition to amounts appropriated above, available balances on hand at August 31, 2001, and the portion of fees deposited into the state treasury during the biennium ending August 31, 2003, to the credit of the Texas Higher Education Coordinating Board, Strategy C.1.9, License Plate Scholarships, as provided by VTCA, Transportation Code § 502.270, are appropriated for that period to the board for the purpose of providing scholarships for students who demonstrate a need for financial assistance. The board shall allocate the appropriation made by this provision to students at a particular college or university in proportion to the ratio that the amount deposited to the credit of the Texas Higher Education Coordinating Board from fees for license plates bearing the name and insignia of the particular college or university bears to the total amount deposited.

   b. Houston Livestock Show and Rodeo Scholarships. In addition to amounts appropriated above, available balances on hand at August 31, 2001 (estimated to be $22,000), and the portion of fees deposited into the state treasury during the biennium ending August 31, 2003, to the credit of the Texas Higher Education Coordinating Board, Strategy C.1.9, License Plate Scholarships, as provided by VTCA, Transportation Code § 502.293, are appropriated for that period to the board for the purpose of making grants to benefit the Houston Livestock Show and Rodeo. It is the intent of the Legislature that these funds be used for the purposes of providing financial assistance to students selected according to criteria developed by the Houston Livestock Show and Rodeo as approved by the Coordinating Board.

   c. Girl Scout Scholarships. In addition to amounts appropriated above, available balances on hand at August 31, 2001, and the portion of fees deposited into the state treasury during the biennium ending August 31, 2003, to the credit of the Texas Higher Education Coordinating Board, Strategy C.1.9, License Plate Scholarships, as provided by VTCA, Transportation Code § 502.2931, are appropriated for that period to the board for the purpose of making grants to benefit the Girl Scouts. It is the intent of the Legislature that these funds be used for the purposes of providing financial assistance to students selected according to criteria developed by the Girl Scouts as approved by the Coordinating Board.

9. **Baylor College of Medicine.** From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The cost of medical education per student at public medical schools as determined by the Coordinating Board shall include General Revenue appropriations for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education.

10. **Research Programs.** The appropriations made by this Act for the Advanced Research Program and the Advanced Technology Program shall be distributed in accordance with the provisions of VTCA, Education Code, Chapters 142 and 143. However, no more than 70 percent of the funds allocated for each program shall be designated for The University of Texas and the Texas A&M University Systems in the 2002–03 biennium. Institutions receiving transfers of funds under these programs shall report to the Coordinating Board in accordance with the provisions of VTCA, Education Code § 142.005. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds appropriated to the Advanced Research Program and the Advanced Technology Program in House Bill 1, Seventy-sixth Legislature, for the 2000–01 biennium are hereby appropriated for the same purposes for the 2002–03 biennium (estimated to be $885,000). Funds allocated for both research programs are exempt from General Services Commission rules and regulations.

11. **Texas Academic Skills Program.**

    a. Developmental Education Programs. Funds appropriated for developmental programs under VTCA, Education Code § 51.306, shall be expended only for those costs associated with the operation of the developmental education program including instruction, tutorial, peer counseling, evaluation, retraining of faculty, and related costs for administration of the program. The funds shall not be used for the recruitment of students.

    b. Allocation Procedure for Developmental Education Program Performance Fund. The amount appropriated for the Developmental Education Performance Fund shall be allocated by the Coordinating Board to public institutions of higher education. The allocation to each institution for each fiscal year shall be based on the number of students who successfully complete developmental education during the previous fiscal year. For purposes of this rider, a student who "successfully completes developmental education" is a student who does not meet basic state education standards for college-level work, as defined by the Coordinating Board, who undertakes a developmental education program and who subsequently demonstrates college readiness, as defined by the Coordinating Board, within two years. It is the intent of the Legislature that the sum of $1,000 be allocated for each student who successfully completes developmental education. In the event that the amount appropriated for the Developmental Education Performance Fund is insufficient to provide this allocation, a proportional allocation shall be made.

    c. TASP Test Fee Waivers. Funds appropriated for Strategy C.1.6, Texas Academic Skills Program, shall be expended by the Coordinating Board for providing test fee waivers for needy students.

    d. Intent Concerning Developmental Needs. It is the intent of the Legislature that all affected institutions of public higher education fully address developmental needs identified by the Texas Academic Skills Program with appropriations made in this Act for the Developmental Education Program and other institutional funds available.

12. **Residency Eligibility.** It is legislative intent that any student who is eligible for Texas resident tuition at a tax-supported institution is eligible for the Tuition Equalization Grants Program, provided all other requirements established by the Coordinating Board have been met by that student. None of the funds appropriated in this Act to the Coordinating Board for Tuition Equalization Grants may be expended for grants to non-resident students attending independent colleges or universities in Texas except for grants to National Merit Finalists.

13. **TEG Need Survey and Reporting Requirements.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor's Office of Budget and Planning. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

14. **Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning financial aid need of students applying for financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by February 28 of each calendar year.

15. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to $363,000 in 2002 and $363,000 in 2003 for one month rural rotation or one month public health rotation for family practice residents in accordance with the provision of VTCA, Education Code § 51.918.

16. **Internal Auditor Required.** From funds appropriated above in Goal E, the Coordinating Board shall employ at least one full-time internal auditor.

17. **Minority Doctoral Incentive Program.** Out of funds appropriated to the Minority Doctoral Incentive Program in House Bill 1, Seventy-sixth Legislature, for the biennium ending August 31, 2001, $150,000 is hereby appropriated for the biennium ending August 31, 2003.

18. **Earned Federal Funds.** All unexpended balances of Earned Federal Funds remaining as of August 31, 2001 (estimated to be $200,000), are hereby appropriated for the same purposes for use during the biennium beginning September 1, 2001. Any balances on hand at the end of fiscal year 2002 may be carried over to fiscal year 2003 and such funds are appropriated for fiscal year 2003. The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitation:

    At least 14 days prior to any use of any earned federal funds the Coordinating Board shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor's Office of Budget and Planning.

19. **Family Practice Residency Advisory Committee.** Out of funds appropriated above, Strategy C.2.2, Family Practice Residency Program, in fiscal year 2002 and in fiscal year 2003, the Board shall make provision for reimbursement of travel expenses for members of the Advisory Committee as outlined in statute.

20. **Primary Care Residency Advisory Committee.** Out of funds appropriated above, Strategy C.2.6, Primary Care Residency Program, in fiscal year 2002 and in fiscal year 2003, the Board shall make provision for reimbursement of travel expenses for members of the Advisory Committee as outlined in statute.

21. **Dramatic Enrollment Growth Funding for Two Year Institutions.** Funds appropriated above in Strategy C.4.5, Two-Year Institution Enrollment Growth, are to be used only to assist Public Community/Junior Colleges, Texas State Technical College, and the Lamar State Colleges that experience dramatic rates of growth in contact hours during the 2002–03 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. For fiscal year 2002, funding shall be provided for growth in contact hours at institutions which experience an increase in contact hours in RN professional nursing courses greater than 5 percent between Fall 2000 and Fall 2001 semesters. For fiscal year 2003, funding shall be provided for growth in contact hours at institutions which experience an increase in contact hours in RN professional nursing courses greater than 10 percent between Fall 2000 and Fall 2002 semesters. This subsection should be fully funded prior to providing funding under subsections (b) or (c).

    b. For fiscal year 2002, funding shall be provided for growth in contact hours at institutions which experience an increase in total contact hours of greater than 10 percent between Fall 2000 and Fall 2001 semesters and are not included under subsection (a) above. For fiscal year 2003, funding shall be provided for growth in contact hours at institutions which experience an increase in total contact hours of greater than 20 percent between Fall 2000 and Fall 2002 semesters and are not included under subsection (a) above.

c. For fiscal year 2002, funding shall be provided for growth in contact hours at institutions which experience an increase in total contact hours greater than 5 percent between the Fall 2000 and Fall 2001 semesters and are not included under subsections (a) or (b) above. For fiscal year 2003, funding shall be provided for growth in contact hours at institutions which experience an increase in total contact hours greater than 10 percent between Fall 2000 and Fall 2002 semesters and are not included under subsections (a) or (b) above. For funds allocated under this subsection, the Texas Higher Education Coordinating Board shall deduct the first 5 percent of contact hour growth for each eligible two-year institution.

22. **Graduate Medical Education.** Funds appropriated above in Strategy C.2.7, Graduate Medical Education, are for the purpose of supporting the educational costs of primary care graduate medical education programs. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed $12,500 in each fiscal year for each filled residency position. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. The first $8,000,000 in appropriated funds in any fiscal year shall be expended for eligible primary care residency positions. Appropriated funds in excess of $8,000,000 in any fiscal year shall be expended for each residency position filled by a graduate of a school of medicine or osteopathy accredited by the Liaison Committee on Medical Education or the American Osteopathic Association such that a primary care position shall receive 1.2 times the amount received by any other residency position. The Higher Education Coordinating Board shall promulgate rules for the equitable distribution of these funds.

23. **Chiropractic Colleges.** Out of the funds appropriated above in Strategy C.2.8, Chiropractic Colleges, an amount of $125,000 in each year of the biennium shall be contracted to Parker Chiropractic College and an amount of $125,000 each year shall be contracted to Texas Chiropractic College for the purpose of preparation or instruction of Texas resident undergraduate chiropractic students as doctors of chiropractic.

24. **Teacher Education Centers.** Funds appropriated above in Strategy C.4.4, Centers for Teacher Education, are to be used for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges. Consideration shall be given to teacher education centers at Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, Huston-Tillotson College in Austin, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, science, and mathematics laboratories. The board may require periodic submission of data and reports as the board considers necessary to assess the overall performance of the centers. The board shall retain 2 percent of the appropriations made for the teacher education centers for the costs of on-site monitoring and distribution of funds. The board may use a portion of the amounts retained to obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions.

25. **General Academic Developmental Education Accountability Pilot Program.** The Higher Education Coordinating Board shall administer and coordinate the General Academic Developmental Education Accountability Pilot Program under the following guidelines.

a. The Coordinating Board shall select participating general academic institutions for the pilot program from among institutions that volunteer.

b. The Coordinating Board, in consultation with the Legislative Budget Board, will calculate allocations to this fund based on the following: for fiscal year 2002, the allocation for each participating institution will be equal to 15 percent of the developmental education formula funding generated by that institution in the semester credit hour formula appropriation for

fiscal year 2002; the allocation for fiscal year 2003 for each participating institution will be equal to 15 percent of the developmental education formula funding generated by that institution in the semester credit hour appropriation for fiscal year 2003. These funds shall be transferred from the formula funded strategies of the participating institutions to the Coordinating Board and are hereby appropriated to Strategy C.4.6, General Academic Developmental Education Performance Fund.

c. Funds appropriated above in Strategy C.4.6, General Academic Developmental Education Accountability Pilot Program are to be allocated by the Coordinating Board to the institutions participating in the pilot program. The allocation to each institution for each fiscal year shall be based on the number of students who successfully complete developmental education during the previous fiscal year. A student who successfully completes developmental education is defined as a student who does not meet basic state education standards for college-level work, as defined by the Coordinating Board, who undertakes a developmental education program, and who subsequently demonstrates college readiness, as defined by the Coordinating Board, within two years. In allocating these funds, it is the intent of the Legislature that (a) performance funding should be allocated to individual institutions in such a way that remedying large deficiencies in college readiness will result in proportionately more funding than remedying minor deficiencies in college readiness; and (b) institutions that demonstrate an increase in performance do not experience a reduction in developmental education funding received through the pilot program.

d. Not later than November 1, 2002, the Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the effectiveness of the pilot program and making recommendations regarding its continuation. It is the intent of the Legislature that continuation of the program beyond August 31, 2003, be conditioned on demonstrated effectiveness in remedying deficiencies in college readiness.

26. **Community and Technical College Developmental Education Accountability Pilot Program.** The Higher Education Coordinating Board shall administer and coordinate the Community and Technical College Developmental Education Accountability Pilot Program under the following guidelines:

a. The Coordinating Board shall select participating community and technical colleges from among institutions that volunteer.

b. The Coordinating Board, in consultation with the Legislative Budget Board, will calculate allocations to this fund based on the following: for fiscal year 2002 the allocation for each participating community/technical college will be equal to 15 percent of the developmental education formula funding generated by that institution in the contact hour formula appropriation for fiscal year 2002; the allocation for fiscal year 2003 for each participating community/technical college will be equal to 15 percent of the developmental education formula funding generated by that institution in the contact hour appropriation for fiscal year 2003. These funds shall be transferred from the formula funded strategies of the participating community/technical colleges to the Coordinating Board and are hereby appropriated to Strategy C.4.7, Community and Technical College Developmental Education Performance Fund.

c. Funds appropriated above in Strategy C.4.7, Community and Technical College Developmental Education Accountability Pilot Program are to be allocated by the Coordinating Board to the community and technical colleges participating in the pilot program. The allocation to each institution for each fiscal year shall be based on the improvements made in academic preparation of students who have previously been

evaluated as not meeting basic college readiness standards as defined by the Coordinating Board, and who have completed a developmental education program in the previous year. In allocating these funds, it is the intent of the Legislature that (a) performance funding should be allocated to individual institutions in such a way that the funding provided for individual students shall be proportional to the progress that has been made in remedying deficiencies in college readiness, as defined by the Coordinating Board; and (b) institutions that demonstrate increased performance do not experience a reduction in the developmental education funding received through the pilot program.

d. Not later than November 1, 2002, the Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the effectiveness of the pilot program and making recommendations regarding its continuation. It is the intent of the Legislature that continuation of the program beyond August 31, 2003, be conditioned on demonstrated effectiveness in remedying deficiencies in college readiness.

27. **Cost Recovery for the Common Application Form.** The Texas Higher Education Coordinating Board is hereby authorized to collect funds from each general academic institution to recover costs related to the electronic common application form. The amount collected from each institution shall be proportional to the number of applications received. The funds collected shall only recover direct costs and only be used for the purposes of the electronic common application form.

28. **Retention of Economically Disadvantaged Students.** The Higher Education Coordinating Board shall include in the annual performance report the percentage of economically disadvantaged freshmen retained at public institutions of higher education as defined by the Legislative Budget Board and the Governor's Office in consultation with the State Auditor's Office.

29. **Toward EXcellence, Access, and Success (TEXAS) Grant Program.**

a. Unexpended balances from funds appropriated to the Toward EXcellence, Access, and Success (TEXAS) Grant Program in House Bill 1, Seventy-sixth Legislature, for the 2000–01 biennium, including any excess amounts from the New Horizons Scholarship Program, Tuition Assistance Grants Program, and National Guard ROTC Program transferred into the TEXAS Grant Program remaining, are hereby appropriated for the same purposes for the 2002–03 biennium.

b. Of the funds appropriated above in Strategy C.1.17, Toward EXcellence, Access, and Success (TEXAS) Grant Program, and funds transferred into the TEXAS Grant Program as specified in subsection (a), any unexpended balances on hand at the end of fiscal year 2002 are hereby appropriated for the same purposes in fiscal year 2003.

c. It is the intent of the Legislature that the board plan the expenditure of new funding appropriated to the TEXAS Grant Program so that the program will not require an appropriation of greater than $381 million, plus any unexpended balances carried forward, in the 2004–2005 biennium. Such implementation levels are projected to be $120 million in fiscal year 2002 and $162 million in fiscal year 2003.

30. **Economically Disadvantaged Student Retention Performance Fund.** The Texas Higher Education Coordinating Board shall distribute funding appropriated above in Strategy C.4.8, Economically Disadvantaged Student Retention Performance Fund, to general academic institutions based on increases in the retention of first-time, full-time economically disadvantaged undergraduates who make satisfactory academic progress. Only those institutions showing increases of at least 5 percent in both the number of economically disadvantaged students

retained and the retention rate of those students shall be eligible for the fund. Allocations to eligible institutions shall be proportional to the number of first-time, full-time economically disadvantaged undergraduates retained for one academic year.

Not later than November 1, 2002, the Coordinating Board shall produce a report evaluating the effectiveness of the pilot program and making a recommendations regarding its continuation. It is the intent of the Legislature that continuation of the program beyond August 31, 2003, be conditioned on demonstrated effectiveness in increasing the retention of economically disadvantaged students.

31. **Disparity Study for Institutions of Higher Education.** The disparity study conducted by the Comptroller of Public Accounts pursuant to General Appropriations Act, § 16, page I-24, Seventy-fifth Legislature, to determine whether past acts of discrimination by institutions of higher education have created any present effects of such past discrimination may be continued by the Texas Higher Education Coordinating Board. The Coordinating Board may maintain and update as necessary the database developed for the disparity study. The Texas Education Agency and each institution of higher education receiving appropriations may cooperate with the Coordinating Board to continue the disparity study and to provide data to maintain and update the database. The Coordinating Board, the Texas Education Agency, and each institution of higher education that participates in the study shall comply with all applicable state and federal laws governing the confidentiality and privacy of the data used in the study.

32. **Teach for Texas Conditional Grant Program.**

    a. Unexpended balances from funds appropriated to the Teach for Texas Conditional Grant Program in House Bill 1, Seventy-sixth Legislature, for the 2000–01 biennium are hereby appropriated for the same purposes for the 2002–03 biennium.

    b. Of the funds appropriated above in Strategy C.1.18, Teach for Texas Conditional Grant Program, any unexpended balances on hand at the end of fiscal year 2002 are hereby appropriated for the same purposes in fiscal year 2003.

33. **Border Faculty Loan Repayment Program.**

    a. In addition to funds appropriated above in Strategy C.1.22, Border Faculty Loan Repayment Program, the Higher Education Coordinating Board may allocate additional funds from Strategy C.1.17, TEXAS Grant Program, to the Border Faculty Loan Repayment Program.

    b. Unexpended balances from funds appropriated to the Border Faculty Loan Repayment Program in House Bill 1, Seventy-sixth Legislature, for the 2000–01 biennium are hereby appropriated for the same purposes for the 2002–03 biennium.

    c. Of the funds appropriated above in Strategy C.1.22, Border Faculty Loan Repayment Program, any unexpended balances on hand at the end of fiscal year 2002 are hereby appropriated for the same purposes in fiscal year 2003.

34. **Dentist's Education Loan Repayment Program.** The funds provided to Strategy C.1.21, Dentist's Education Loan Repayment Program, are appropriated in accordance with VTCA, Education Code §§ 61.901-61.910, for repayment of eligible student loans received by a dentist who meets the stipulated requirements. All balances in the General Revenue Fund Dental School Tuition Set Aside Account as of August 31, 2001, and all Dental School Tuition Set Aside receipts received during the biennium are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2003, for the same purpose (estimated to be $100,000).

35. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the Higher Education Coordinating Board and Baylor College of Medicine also receive appropriations in Article XII, Tobacco Settlement Receipts. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, §§ 63.002 (c), (d), and (f), estimated to be $1,791,248 to Baylor College of Medicine in each year of the 2002–03 biennium; 63.102 (c), (d), and (f), estimated to be $1,125,000 to Baylor College of Medicine in each year of the 2002–03 biennium; 63.202 (c) and (d), estimated to be $2,025,000 to Higher Education Coordinating Board in each year of the 2002–03 biennium; and 63.302 (c) and (e), estimated to be $1,125,000 to Higher Education Coordinating Board in each year of the 2002–03 biennium.

36. **Information Access Initiative.** The Higher Education Coordinating Board shall coordinate with the Texas Education Agency and the State Board for Educator Certification regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data in implementing its Information Access Initiative. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

37. **Enrollment Growth Funding for General Academic Institutions.** Funds appropriated above in Strategy C.4.9, General Academic Institution Enrollment Growth, are to be used only to assist public general academic institutions which experience dramatic rates of growth in weighted semester credit hours during the 2002–03 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. For fiscal year 2002, funding shall be provided for institutions which experience an increase in weighted semester credit hours in RN professional nursing courses greater than 3 percent between Fall 2000 and Fall 2001 semesters. For fiscal year 2003, funding shall be provided for growth in weighted semester credit hours in RN professional nursing courses greater than 6 percent between Fall 2000 and Fall 2002 semesters. This subsection should be fully funded prior to providing funding under subsection (b).

    b. For fiscal year 2002, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 3 percent between Fall 2000 and Fall 2001 semesters and are not included under subsection (a) above. For fiscal year 2003, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 6 percent between Fall 2000 and Fall 2002 semesters and are not included under subsection (a) above. For funds allocated under this subsection, the Texas Higher Education Coordinating Board shall deduct the first 3 percent of weighted semester credit hour growth used to calculate subsection (a) for each eligible institution.

38. **Enrollment Growth Funding for Nursing Programs at Health-related Institutions.** Funds appropriated above in Strategy C.4.10, Health-related Institution Nursing Enrollment Growth, are to be used only to assist public health-related institutions which experience dramatic rates of growth in student full-time equivalents during the 2002–03 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

For fiscal year 2002, funding shall be provided for health-related institutions which experience an increase in student full-time equivalents in RN professional nursing courses greater than 3 percent between Fall 2000 and Fall 2001 semesters. For fiscal year 2003, funding shall be provided for growth in student full-time equivalents in RN professional nursing courses greater than 6 percent between Fall 2000 and Fall 2002 semesters.

39. **Admission Referral System Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board and its Common Application Committee shall design and implement a pilot program for a college admission referral system to be administered at no cost to students. The University of Texas at Austin will assist the Coordinating Board in developing the pilot program by providing the necessary modifications to the Common Application System. The pilot system should be designed to refer and facilitate the admission of students who have been denied admission to the institution of their first choice to other Texas public higher education institutions. In no way should the pilot program interfere with existing provisional admission programs already in place at higher education institutions. Participation by institutions in the pilot program shall be on a voluntary basis. The pilot program shall begin operation with the Fall 2002 semester.

    The Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the pilot program no later than December 31, 2002.

40. **Higher Education Assistance Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board shall administer and coordinate the Higher Education Assistance Pilot Program to:

    a. Provide prospective students in three separate sites with low college enrollment rates with information related to enrollment in public or private or independent institutions of higher education, including admissions and financial aid information; and

    b. Assist prospective students in these sites with completing applications related to enrollment in higher education institutions, including admissions and financial aid applications.

    The Coordinating Board shall provide the information and assistance required at least twice each year, and it shall select an institution of higher education or other entity to provide the information and assistance required at each site served by the pilot program. In designing the pilot program, the Coordinating Board shall ensure that it is reproducible by other entities in cities and counties across the state to enable them to develop similar programs to increase admissions to higher education institutions. The pilot program shall begin operation with the Spring 2002 semester.

    Not later than September 1, 2002, the Coordinating Board shall submit to the Legislature a report on the effectiveness of the pilot program, including recommendations on whether to implement the program on a statewide basis.

41. **Financial Aid Application Assistance**. The Higher Education Coordinating Board shall determine the feasibility of establishing an agreement with private tax preparation firms to assist college applicants in completing the federal financial aid application. If it is determined that such an agreement would be feasible, the Coordinating Board shall negotiate the agreement and implement a pilot program to assist college applicants in completing the federal financial aid application beginning with the Spring 2002 semester.

    If the Coordinating Board enters into an agreement and begins a pilot program as described above, it shall produce a report evaluating the effectiveness of the pilot program no later than September 1, 2002.

42. **Data Exchange to Facilitate Financial Aid Eligibility Determination.** Out of funds appropriated above, the Higher Education Coordinating Board, with the help of the Department of Information Resources and the cooperation of any other relevant state agency, shall determine the extent to which data captured for other programs may be used to establish eligibility for student financial aid. Sharing of such data among agencies should facilitate the financial aid application process, reduce paperwork for applicants, and improve processing for financial aid offices while protecting the privacy rights of individuals.

    The Coordinating Board shall report its findings to the Legislature no later than September 1, 2002, including any statutory changes necessary to allow and facilitate such data exchanges among agencies. If in the course of its study, the Coordinating Board finds that assistance or flexibility from the federal government would facilitate the sharing of information used to establish eligibility for student financial aid, it shall report such a finding to the Governor and Legislative Budget Board at the time of discovery.

43. **Graduate and Post Graduate Medical Education Task Force.** The Coordinating Board shall convene a task force consisting of representatives from each state-appropriated health science center and hospital, as well as selected representatives of hospitals and health care facilities that serve as teaching facilities with residency programs. The Commissioner shall appoint the members of the task force.

    Each task force participant shall make available, for task force use only, their most recent audited financial statements and Medicare cost reports.

    The task force shall analyze all funding streams, local, state, and federal, and any other sources of revenue, public or private, that support graduate and post-graduate medical education in the state of Texas.

    The Coordinating Board may hire an independent consultant to assist in the gathering and interpretation of data and the construction of recommendations. The Coordinating Board may pay for that consultant out of funds which may be available from gifts, grants or donations, or from transfers which may be made from funds available to the entities represented on the task force. Such transfer amounts shall be proportional to the numbers of graduate and post-graduate medical students in each entity's respective programs.

    The task force shall recommend, to the Seventy-eighth Legislature by September 1, 2002, funding priorities that preserve the long-term viability of graduate and post-graduate medical education in Texas by improving graduate and post-graduate medical education's service to Texas residents.

44. **P-16 Council.** It is the intent of the Legislature that the Higher Education Coordinating Board continue the activities and operation of the P-16 Council.

45. **Graduation and Persistence Rates.** The Coordinating Board shall report graduation and persistence rates, for each public general academic institution, to the Governor and Legislature no later than September 1, 2002. For each institution, the report shall include:

    a. Six-year graduation rate (same institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at that institution.

    b. Six-year graduation rate (another institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution

within six years of becoming a full-time student at another public higher education institution.

c. Six-year persistence rate (same institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in the same Texas public general academic higher education institution six years after becoming a full-time student at that institution.

d. Six-year persistence rate (another institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in a Texas public general academic higher education institution six years after becoming a full-time student at another Texas public higher education institution.

e. Composite graduation and persistence rate - Sum of the graduation and persistence rates in subsections (a) through (d) above.

46. **Strategic Plan for Teacher Certification.** Out of funds appropriated above, the Higher Education Coordinating Board shall develop a strategic plan to increase the number of certified teachers in the state as quickly as possible. The Coordinating Board shall collaborate with the Texas Education Agency, the State Board for Educator Certification, the Texas Workforce Commission, the Governor's Office, and the Legislature in development of the strategic plan.

In order to facilitate implementation of the strategic plan for teacher certification, the Coordinating Board shall work with the Texas Education Agency, the State Board for Educator Certification, school districts, professional educator associations, and any other entity it believes could aid in development of a teacher certification web page. The web page shall convey information on traditional and alternative certification programs and related employment opportunities in such a format that resources are linked and data is easily accessible and navigable to those interested in pursuing a career in teaching.

47. **Financial Aid Maximum for Students Attending Independent Colleges and Universities.** The total amount of financial aid a student is eligible to receive from a TEXAS Grant and the Tuition Equalization Grant is limited to the maximum amount of the Tuition Equalization Grant as determined by law. In no case shall higher tuition at a private institution make it possible for a student to receive more state grant aid than 50 percent of the average state appropriation for an FTE student at a state public institution in the previous biennium. Furthermore, in no case shall the total amount of financial aid from the TEXAS Grant and Tuition Equalization Grant a student is eligible to receive be interpreted as the total amount of tuition and required fees charged to a student for the semester of award at a private institution.

It is the intent of the Legislature that the state shall give priority in TEXAS Grant funding to students with the greatest financial need who attend public colleges and universities.

48. **Diversity at Independent Colleges and Universities Which Receive TEG.** Independent colleges and universities which enroll students receiving Tuition Equalization Grant funds appropriated by this Act shall provide annual reports to the Higher Education Coordinating Board regarding the diversity of their student body, faculty, executive committee, and board of regents. These reports shall be submitted by October 1 of each year.

49. **Formula Funding Study.** In its biennial review of funding formulas for the general academic institutions, the Higher Education Coordinating Board shall study the effects of the formula on institutions with fewer than 10,000 students and shall determine the adequacy of the formula for such institutions in comparison to institutions with larger student populations. The Coordinating Board shall report its finding to the Legislative Budget Board by September 1, 2002, with any recommendations for a small college and university formula funding method.

50. **Infrastructure Support for A&M Service Agencies.** The Higher Education Coordinating Board is directed to conduct a study regarding the development of an equitable mechanism to fund the Texas A&M University System Service Agencies' infrastructure costs for facilities located in areas other than Brazos County. The study may consider the mission of the agencies, other sources of funding available to the agencies, and any other appropriate factors.

51. **New Campus Funding at Wharton Junior College.** Funds appropriated above in Strategy C.4.11, New Campus Funding at Wharton Junior College, are to provide for the new campus at Wharton Junior College. Wharton Junior College shall apply to the Higher Education Coordinating Board for funding based on actual new contact hours generated during the 2002–03 biennium. To be eligible for this funding, enrollment at the new campus must result in a districtwide increase in contact hours. Wharton Junior College cannot be eligible for dramatic enrollment growth funds based on growth at the new campus.

52. **Distance Learning Consortium.** It is the intent of the Legislature that from the funds appropriated above in Strategy C.4.4, Centers for Teacher Education, the Higher Education Coordinating Board provide $200,000 in fiscal year 2002 and $200,000 in fiscal year 2003 to upgrade distance learning through Huston-Tillotson College.

* 53. **Contingency for House Bill 125 - Developmental Education.** Contingent upon the enactment of House Bill 125, or similar legislation abolishing the Texas Academic Skills Program, institutions of higher education shall use the reading, writing, and mathematics components of the Texas Assessment of Academic Skills (TAAS) II test for the purposes of assessing skills of entering undergraduate students. The mathematics section of the TAAS II must include at least geometry, Algebra I, and components of Algebra II with the aid of technology.

54. **Contingency Appropriation for House Bill 3590 - Texas Fund for Geography Education.** Contingent upon the enactment of House Bill 3590, or similar legislation related to the National Geographic Society Texas Fund for Geography Education, the Higher Education Coordinating Board is appropriated $500,000 in fiscal year 2002 from the General Revenue Fund to implement the provisions of the Act.

55. **Contingency Appropriation for Senate Bill 1596 - TEXAS Grant II Program.** Contingent upon the enactment of Senate Bill 1596, or similar legislation establishing the Toward EXcellence, Access, and Success (TEXAS) Grant II Program for two-year institutions, the Higher Education Coordinating Board is appropriated $10,000,000 for the 2002–03 biennium to implement the provisions of the Act. Contingent upon the enactment of Senate Bill 1596 or similar legislation and a finding of fact by the Comptroller of Public Accounts (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available from the General Revenue Fund and following approval by the Legislative Budget Board, the Higher Education Coordinating Board is appropriated an additional $10,000,000 for the 2002–03 biennium to implement the provisions of the Act.

** 56. **Allocations Made in Other Legislation: House Bill 2879.** Out of the funds appropriated above, the amount of $20,000,000 in fiscal year 2002 plus unexpended balances in fiscal year 2003 are appropriated from the General Revenue Fund to the Higher Education Coordinating Board in accordance with House Bill 2879, Section 20, Acts of the Seventy-seventh Legislature, for support of the Teach for Texas Grant Program, the Joint Admission Medical Program, and the Public Awareness Campaign Promoting Higher Education. An amount of $11,000,000 is allocated for the Teach for Texas Grant Program under Subchapter O, Chapter 56, Education Code, as redesignated by Senate Bill 1057, Acts of the Seventy-seventh Legislature; an amount of $4,000,000 is allocated for the Joint Admission Medical Program under Subchapter V, Chapter 51, Education Code, as added by Senate Bill 940, Acts of the Seventy-seventh Legislature; and an amount of $5,000,000 is allocated for the Public Awareness Campaign Promoting Higher Education under Subchapter X, Chapter 61, Education Code, as added by Senate Bill 573, Acts of the Seventy-seventh Legislature.

*House Bill 125 or similar legislation did not pass.
**Added per House Bill 2879.

HIGHER EDUCATION FUND

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: HIGHER EDUCATION FUND		
A.1.1. Strategy: HIGHER EDUCATION FUND The constitutional appropriation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials at the eligible institutions and agencies of higher education pursuant to the provisions of Article VII, Section 17(a) of the Texas Constitution.	$ 224,365,000	$ 224,365,000
Grand Total, HIGHER EDUCATION FUND	$ 224,365,000	$ 224,365,000

1. **Unexpended Balances.** Any unexpended balances as of August 31, 2001 in the General Revenue Fund pursuant to the provision of Article VII, Section 17(a) of the Texas Constitution, are hereby appropriated to the respective institutions for the biennium beginning September 1, 2001 for the same purposes.

2. **Higher Education Fund Deposit.** Out of the Funds appropriated above, the State Comptroller of Public Accounts shall deposit $49,365,000 in each year of the biennium to the credit of the higher education fund in accordance with VTCA, Education Code § 62.025.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 8,115,391	$ 8,115,392
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$ 8,115,391	$ 8,115,392
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	223.8	223.8
Number of Full-Time-Equivalent Positions (FTE)-Total	478.4	478.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 833,603	$ 833,604
A.1.2. Strategy: LOWER RIO GRANDE VALLEY-RAHC Lower Rio Grande Valley-Regional Academic Health Center.	$ 3,750,000	$ 3,750,000
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,583,603	$ 4,583,604
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: TUITION REVENUE BONDS Tuition revenue bonds for Lower Rio Grande Valley-Regional Academic Health Center.	$ 2,831,788	$ 2,831,788
C. Goal: SPECIAL ITEM SUPPORT		
C.2.1. Strategy: HEALTH CARE PARTNERSHIPS-LAREDO Health Care Partnerships - Laredo campus.	$ 700,000	$ 700,000
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$ 8,115,391	$ 8,115,392

2. **Aircraft Authorized.** The University of Texas System is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority of the Aircraft Pooling Board under VTCA, Government Code, Chapter 2205. All costs of acquisition, operation and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System. The University of Texas System is also authorized to lease on a short-term basis additional aircraft as may be needed from time to time.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $450,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Regional Academic Health Center.** The University of Texas System Administration may use funds appropriated above in Strategy A.1.2, Lower Rio Grande Valley-RAHC, and Strategy B.1.1, Tuition Revenue Bonds, to maintain the Lower Rio Grande Valley Regional Academic Health Center. It is the intent of the Legislature that the UT System distribute these funds in accordance with Texas Education Code 74.611 et seq. and the implementation plan and budget adopted by the UT System Board of Regents. The UT System may distribute these funds equitably among UT component institutions in developing the Regional Academic Health Center, including but not limited to, the University of Texas Health Science Center at Houston and the University of Texas Health Science Center at San Antonio.

5. **Informational Rider– Tobacco Settlement Receipts.** This Rider is informational only and does not make an appropriation. In addition to amounts appropriated above, the University of Texas System also receives an appropriation in Article XII, Tobacco Settlement Receipts, estimated to be $900,000 each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.102(c), (d), and (f).

6. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code 249.14.

AVAILABLE UNIVERSITY FUND

	For the Years Ending August 31, 2002	August 31, 2003
Out of the Available University Fund No. 011:		
A. Goal: MANAGE/ADMINISTER ENDOWMENT FUNDS		
Provide management and administrative support for endowment funds.		
A.1.1. Strategy: TEXAS A&M UNIV SYSTEM ALLOCATION	$ 115,629,449	$ 122,997,740
The Available University Fund allocable to the Board of Regents of Texas A&M University, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.		
A.1.2. Strategy: THE UNIV OF TEXAS SYSTEM ALLOCATION	$ 236,258,897	$ 250,995,479
The residue of the Available University Fund allocable to The University of Texas System, including interest, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs and physical plant operation and maintenance, minority students scholarships and student recruitment, and educational and		

general activities of The University of Texas System Administration, and The University of Texas at Austin pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.		
Total, Goal A: MANAGE/ADMINISTER ENDOWMENT FUNDS	$ 351,888,346	$ 373,993,219
Grand Total, AVAILABLE UNIVERSITY FUND	$ 351,888,346	$ 373,993,219

1. **Texas A&M University System Share.** There is hereby appropriated to the Texas A&M University System for the biennium ending August 31, 2003, that portion of the Available University Fund apportioned to it by Article VII, Section 18(f) , except the part of that portion appropriated by Section 18 for the payment of principal and interest on bonds or notes issued thereunder by the Board of Regents of the Texas A&M University System, together with interest and any balance in the Texas A&M University-The University of Texas Available Fund for any previous fiscal year. The Texas A&M University System is authorized to use a portion of its share of the Available University Fund for the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions at Texas A&M University and Prairie View A&M University.

2. **The University of Texas System Share.** There is hereby appropriated for the biennium ending August 31, 2003 that portion of the Available University Fund (AUF) apportioned to The University of Texas System by Article VII, Section 18(f) , together with interest and any balance in the AUF for any previous years, except that portion appropriated by Section 18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation may be used for new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin and for The University of Texas System Administration and is to be used as the Board of Regents of The University of Texas System may determine.

3. **Transfer Authorization.** The University of Texas System may transfer from the Available University Fund No. 011 into the Texas A&M University Available Fund No. 047 its respective portion.

4. **Reporting.** The University of Texas System Board of Regents and the Texas A&M University System Board of Regents shall report to the Legislature and the Governor no later than December 1 of each year:

   - the uses of the Available University Fund (AUF) for each system component and for system office operations for the two previous years, the current year, and two future years (projected), including:
     - debt service allocations, by component,
     - bond proceeds allocations, by component, and
     - excellence allocations, by component or system office, and their purposes;
   - Available University Fund income, interest, beginning- and end-of-year balances; and
   - the rationale used by the respective boards to distribute AUF funds.

   In addition, by December 1 of each year, authorized managers of permanent funds and endowments whose earnings are appropriated above shall submit an annual financial report.

THE UNIVERSITY OF TEXAS AT ARLINGTON

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 109,429,618	$ 108,600,775
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$ 109,429,618	$ 108,600,775
Method of Financing:		
General Revenue Fund	$ 81,448,396	$ 80,568,421
General Revenue Fund - Dedicated		
GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	3,061,368	3,061,368
GR Dedicated - Estimated Other Educational and General Income Account No. 770	24,919,854	24,970,986
Subtotal, General Revenue Fund - Dedicated	$ 27,981,222	$ 28,032,354
Total, Method of Financing	$ 109,429,618	$ 108,600,775
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,921.5	1,921.5
Number of Full-Time-Equivalent Positions (FTE)-Total	2,651.5	2,651.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	30.6%	30.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69%	70.3%
Administrative Cost as a Percent of Total Expenditures	10.6%	10.4%
State Pass Rate of Education EXCET Exam	62.7%	63.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55.6%	55.6%
Percent of Lower Division Courses Taught by Tenured Faculty	36.2%	36.4%
State Licensure Pass Rate of Engineering Graduates	79%	79%
State Licensure Pass Rate of Nursing Graduates	90%	90%
Dollar Value of External or Sponsored Research Funds (in Millions)	9	10
A.1.1. Strategy: OPERATIONS SUPPORT	$ 74,196,155	$ 74,196,155
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,207,290	$ 2,207,291
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,742,192	$ 3,082,773
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 363,513	$ 363,513
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 35,337	$ 35,337
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,782,606	$ 2,788,201
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 1,458,331	$ 1,458,331

A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 5,254,197	$ 5,254,197
Total, Goal A: INSTRUCTION/OPERATIONS	$ 89,039,621	$ 89,385,798
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 12,604,518	$ 12,604,518
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 3,852,044	$ 2,827,024
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 254,676	$ 254,676
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 16,711,238	$ 15,686,218
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SCIENCE EDUCATION CENTER	$ 300,000	$ 150,000
C.2.1. Strategy: AUTOMATION AND ROBOTICS INSTITUTE Automation and Robotics Research Institute.	$ 1,497,822	$ 1,497,822
C.3.1. Strategy: RURAL HOSPITAL OUTREACH PROGRAM	$ 55,099	$ 55,099
C.3.2. Strategy: URBAN STUDIES INSTITUTE Institute of Urban Studies.	$ 356,539	$ 356,539
C.3.3. Strategy: MEXICAN AMERICAN STUDIES	$ 50,000	$ 50,000
C.4.1. Strategy: AFRICA INTERNATIONAL EXCHANGE	$ 131,805	$ 131,805
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,287,494	$ 1,287,494
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,678,759	$ 3,528,759
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$ 109,429,618	$ 108,600,775
Method of Financing:		
General Revenue Fund	$ 81,448,396	$ 80,568,421
General Revenue Fund - Dedicated		
GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	3,061,368	3,061,368
GR Dedicated - Estimated Other Educational and General Income Account No. 770	24,919,854	24,970,986
Subtotal, General Revenue Fund - Dedicated	$ 27,981,222	$ 28,032,354
Total, Method of Financing	$ 109,429,618	$ 108,600,775

2. **Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount NTE $500,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.

THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

3. **Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed $300,000 for the operation of the Center for Mexican American Studies.

4. **Urban Studies Institute.** All funds collected by the Urban Studies Institute are hereby appropriated to The University of Texas at Arlington for the Urban Studies Institute. It is the intent of the Legislature that services provided by the Institute shall be provided at a reduced cost based upon financial need and the availability of like services.

THE UNIVERSITY OF TEXAS AT AUSTIN

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 354,585,489	$ 353,339,131
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	$ 354,585,489	$ 353,339,131
Method of Financing:		
General Revenue Fund	$ 239,608,001	$ 238,186,802
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	14,147,862	14,147,862
Estimated Other Educational and General Income Account No. 770	100,829,626	101,004,467
Subtotal, General Revenue Fund - Dedicated	$ 114,977,488	$ 115,152,329
Total, Method of Financing	$ 354,585,489	$ 353,339,131
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	7,212.0	7,212.0
Number of Full-Time-Equivalent Positions (FTE)-Total	13,553.0	13,630.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	68.7%	68.7%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	90.3%	90.3%
Administrative Cost as a Percent of Total Expenditures	5.7%	5.7%
State Pass Rate of Education EXCET Exam	75.5%	75.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	29%	29%
Percent of Lower Division Courses Taught by Tenured Faculty	40%	41%
State Licensure Pass Rate of Law Graduates	92%	92%
State Licensure Pass Rate of Engineering Graduates	90%	92%

State Licensure Pass Rate of Nursing Graduates		92%		92%
State Licensure Pass Rate of Pharmacy Graduates		98%		98%
Dollar Value of External or Sponsored Research Funds (in Millions)		183		185
A.1.1. Strategy: OPERATIONS SUPPORT	$	220,876,531	$	220,876,531
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	6,643,213	$	6,643,213
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	16,185,008	$	18,195,186
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	1,648,333	$	1,648,333
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	48,414	$	48,414
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	9,516,159	$	9,536,507
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	16,333,519	$	16,333,519
Total, Goal A: INSTRUCTION/OPERATIONS	$	271,251,177	$	273,281,703
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	60,328,878	$	60,328,878
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	9,340,991	$	5,979,643
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	485,000	$	485,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	70,154,869	$	66,793,521
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: MARINE SCIENCE INSTITUTE Marine Science Institute - Port Aransas.	$	691,775	$	691,775
C.2.2. Strategy: INSTITUTE FOR GEOPHYSICS	$	1,197,820	$	1,197,820
* **C.2.3. Strategy:** BUREAU OF ECONOMIC GEOLOGY	$	1,995,685	$	1,995,685
C.2.4. Strategy: BUREAU OF BUSINESS RESEARCH	$	265,699	$	265,699
C.2.5. Strategy: MCDONALD OBSERVATORY	$	3,261,242	$	3,261,242
C.2.6. Strategy: ADVANCED STUDIES IN ASTRONOMY Center for Advanced Studies in Astronomy.	$	658,295	$	658,295
C.3.1. Strategy: TEXAS MEMORIAL MUSEUM	$	165,825	$	165,825
C.3.2. Strategy: PUBLIC POLICY INSTITUTE	$	219,674	$	219,674
C.3.3. Strategy: POLICY DISPUTE RESOLUTION CENTER Center for Public Policy Dispute Resolution.	$	393,609	$	393,609
C.3.4. Strategy: LATINO WWII ORAL HISTORY	$	50,000	$	50,000
C.3.5. Strategy: GARNER MUSEUM	$	50,000	$	50,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,150,154	$	3,150,154
* **Total, Goal C:** SPECIAL ITEM SUPPORT	$	12,099,778	$	12,099,778
* **Grand Total,** THE UNIVERSITY OF TEXAS AT AUSTIN	$	353,505,824	$	352,175,002

*Reductions are the result of the Governor's veto of House Bill 2436.

	Method of Financing:		
*	General Revenue Fund	$ 238,528,336	$ 237,022,673
	General Revenue Fund - Dedicated		
	Estimated Board Authorized Tuition Increases Account No. 704	14,147,862	14,147,862
	Estimated Other Educational and General Income Account No. 770	100,829,626	101,004,467
	Subtotal, General Revenue Fund - Dedicated	$ 114,977,488	$ 115,152,329
*	**Total, Method of Financing**	$ 353,505,824	$ 352,174,912

* 2. **Bureau of Economic Geology Contingency.** Included in the appropriation above to The University of Texas at Austin for information item C.2.3 is *$445,000* in fiscal year 2002 and *$445,000* in fiscal year 2003 contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least *$890,000* for the biennium in additional revenue to the General Revenue Fund.

3. **Public Policy Clinics.** Out of the funds appropriated above, $250,000 in each year of the biennium shall be used for public policy clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay research fellowships, surveys, and other expenses associated with the clinics.

THE UNIVERSITY OF TEXAS AT DALLAS

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 74,270,404	$ 73,869,193
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$ 74,270,404	$ 73,869,193
Method of Financing:		
General Revenue Fund	$ 52,239,352	$ 51,776,484
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,494,364	2,494,364
Estimated Other Educational and General Income Account No. 770	19,536,688	19,598,345
Subtotal, General Revenue Fund - Dedicated	$ 22,031,052	$ 22,092,709
Total, Method of Financing	$ 74,270,404	$ 73,869,193
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,163.5	1,163.5

*Reductions are the result of the Governor's veto of House Bill 2436.

Number of Full-Time-Equivalent Positions (FTE)-Total		1,651.5		1,666.5
Supplemental Appropriations Made in Riders:	$	68,000	$	0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		52%		53%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		79.5%		80.9%
Administrative Cost as a Percent of Total Expenditures		9.5%		9.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		45.2%		45.2%
Percent of Lower Division Courses Taught by Tenured Faculty		34%		35%
Dollar Value of External or Sponsored Research Funds (in Millions)		12.4		13
A.1.1. Strategy: OPERATIONS SUPPORT	$	49,628,938	$	49,628,938
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,218,802	$	1,218,802
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,250,738	$	1,406,079
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	213,142	$	213,142
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	3,935	$	3,935
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,667,414	$	1,673,740
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	923,633	$	923,633
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	3,634,545	$	3,634,545
A.1.9. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$	3,715,052	$	3,715,052
Total, Goal A: INSTRUCTION/OPERATIONS	$	62,256,199	$	62,417,866
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	7,651,091	$	7,651,091
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,796,453	$	1,233,575
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	113,274	$	113,274
Total, Goal B: INFRASTRUCTURE SUPPORT	$	9,560,818	$	8,997,940

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: CENTER FOR APPLIED BIOLOGY	$ 625,000	$ 625,000
C.1.2. Strategy: NANOTECHNOLOGY	$ 250,000	$ 250,000
C.2.1. Strategy: ACADEMIC BRIDGE PROGRAM	$ 250,000	$ 250,000
Intensive Summer Academic Bridge Program.		
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,328,387	$ 1,328,387
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,453,387	$ 2,453,387
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$ 74,270,404	$ 73,869,193
Method of Financing:		
General Revenue Fund	$ 52,239,352	$ 51,776,484
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,494,364	2,494,364
Estimated Other Educational and General Income Account No. 770	19,536,688	19,598,345
Subtotal, General Revenue Fund - Dedicated	$ 22,031,052	$ 22,092,709
Total, Method of Financing	$ 74,270,404	$ 73,869,193

2. **Sale of Land from Repealed Constitutional Provision.** Contingent on the passage of House Joint Resolution 75 and subsequent approval by the voters, the General Land Office is hereby authorized to sell the tract located in Eastland County and known as the NE4 Section 10, D&D Asylum Survey in Eastland County, A-2104, File 4833. The proceeds of said sale, estimated to be $68,000, shall be deposited into the General Revenue fund. Said proceeds are hereby appropriated to the University of Texas at Dallas from the General Revenue Fund for the purpose of collecting oral history on Texas African Americans.

THE UNIVERSITY OF TEXAS AT EL PASO

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 77,695,758	$ 77,350,131
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$ 77,695,758	$ 77,350,131

Method of Financing:		
General Revenue Fund	$ 58,626,407	$ 58,270,737
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	360,000	360,000
Estimated Other Educational and General Income Account No. 770	18,709,351	18,719,394
Subtotal, General Revenue Fund - Dedicated	$ 19,069,351	$ 19,079,394
Total, Method of Financing	$ 77,695,758	$ 77,350,131
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,510.6	1,510.6
Number of Full-Time-Equivalent Positions (FTE)-Total	2,536.5	2,551.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	25.5%	26%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.2%	71.4%
Administrative Cost as a Percent of Total Expenditures	9.6%	9.6%
State Pass Rate of Education EXCET Exam	79.9%	79.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	61.8%	61.8%
Percent of Lower Division Courses Taught by Tenured Faculty	50.9%	51%
State Licensure Pass Rate of Engineering Graduates	82.4%	82.4%
State Licensure Pass Rate of Nursing Graduates	91.5%	92%
Dollar Value of External or Sponsored Research Funds (in Millions)	13.1	13.6
A.1.1. Strategy: OPERATIONS SUPPORT	$ 41,649,110	$ 41,649,110
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,548,569	$ 1,548,570
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,825,892	$ 2,052,668
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 309,887	$ 309,887
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 4,488	$ 4,488
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,191,571	$ 2,193,071
A.1.7. Strategy: INDIRECT COST RECOVERY	$ 2,197,281	$ 2,197,281
Indirect cost recovery for research related activities.		
A.1.8. Strategy: FORMULA HOLD HARMLESS	$ 159,964	$ 159,964
A.1.9. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING	$ 3,753,781	$ 3,753,781
Capital Equity and Excellence funding.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 53,640,543	$ 53,868,820

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 10,835,023	$ 10,835,023
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,643,672	$ 2,069,768
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 133,169	$ 133,169
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 13,611,864	$ 13,037,960
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: BORDER STUDIES INSTITUTE	$ 98,567	$ 98,567
Inter-American and Border Studies Institute.		
C.2.2. Strategy: ENVIRONMENTAL RESOURCE MANAGEMENT	$ 262,820	$ 262,820
Center for Environmental Resource Management.		
C.2.3. Strategy: CENTER FOR LAW AND BORDER STUDIES	$ 500,000	$ 500,000
C.3.1. Strategy: EL PASO CENTENNIAL MUSEUM	$ 136,835	$ 136,835
C.3.2. Strategy: RURAL NURSING HEALTH CARE	$ 72,145	$ 72,145
Rural nursing health care services.		
C.3.3. Strategy: MANUFACTURE/MATERIALS MANAGEMENT	$ 100,505	$ 100,505
Institute for Manufacturing and Materials Management.		
C.3.4. Strategy: ECONOMIC/ENTERPRISE DEVELOPMENT	$ 961,618	$ 961,618
Texas Centers for Economic and Enterprise Development.		
C.3.5. Strategy: ACADEMIC EXCELLENCE	$ 131,410	$ 131,410
Collaborative for Academic Excellence.		
C.3.6. Strategy: BORDER COMMUNITY HEALTH	$ 325,000	$ 325,000
Border Community Health Education Institute.		
C.3.7. Strategy: US-MEXICO IMMIGRATION CENTER	$ 50,000	$ 50,000
United States - Mexico Immigration Center.		
C.3.8. Strategy: BORDER HEALTH RESEARCH	$ 350,000	$ 350,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 7,454,451	$ 7,454,451
Total, Goal C: SPECIAL ITEM SUPPORT	$ 10,443,351	$ 10,443,351
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$ 77,695,758	$ 77,350,131
Method of Financing:		
General Revenue Fund	$ 58,626,407	$ 58,270,737
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	360,000	360,000
Estimated Other Educational and General Income Account No. 770	18,709,351	18,719,394
Subtotal, General Revenue Fund - Dedicated	$ 19,069,351	$ 19,079,394
Total, Method of Financing	$ 77,695,758	$ 77,350,131

2. **Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

	2002	2003
Texas A&M International University:		
Institute for International Trade	$ 221,171	$ 221,171
The University of Texas - Pan American:		
Center for Entrepreneurship and Economic Development	$ 366,858	$ 366,858

3. **Informational Rider– Tobacco Settlement Receipts.** This Rider is informational only and does not make an appropriation. In addition to amounts appropriated above, the University of Texas El Paso also receives an appropriation in Article XII, Tobacco Settlement Receipts, estimated to be $1,125,000 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.102(c), (d), and (f).

THE UNIVERSITY OF TEXAS - PAN AMERICAN

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 60,288,088	$ 60,923,189
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$ 60,288,088	$ 60,923,189
Method of Financing:		
General Revenue Fund	$ 46,722,386	$ 47,352,920
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	290,160	290,160
Estimated Other Educational and General Income Account No. 770	13,275,542	13,280,109
Subtotal, General Revenue Fund - Dedicated	$ 13,565,702	$ 13,570,269
Total, Method of Financing	$ 60,288,088	$ 60,923,189
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,257.0	1,257.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,786.5	1,813.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27%	29%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	67%
Administrative Cost as a Percent of Total Expenditures	10.5%	10%
State Pass Rate of Education EXCET Exam	32.3%	32.6%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	79%	79%
Percent of Lower Division Courses Taught by Tenured Faculty	48%	49%
State Licensure Pass Rate of Nursing Graduates	91.8%	91.8%
Dollar Value of External or Sponsored Research Funds (in Millions)	2.25	2.5
A.1.1. Strategy: OPERATIONS SUPPORT	$ 34,242,672	$ 34,242,672
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,343,930	$ 1,343,931
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,209,352	$ 1,359,553
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 171,413	$ 171,413
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,001,218	$ 2,001,930
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activitiess.	$ 264,822	$ 264,822
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 635,846	$ 1,126,104
Total, Goal A: INSTRUCTION/OPERATIONS	$ 39,869,253	$ 40,510,425
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 7,418,743	$ 7,418,743
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,914,781	$ 2,908,710
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 10,333,524	$ 10,327,453
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: PROF DEVELOPMENT/DISTANCE LEARNING Professional development/distance learning.	$ 250,000	$ 250,000
C.1.2. Strategy: COOPERATIVE PHARMACY DOCTORATE	$ 300,000	$ 300,000
C.1.3. Strategy: STARR COUNTY UPPER LEVEL CENTER	$ 150,000	$ 150,000
C.2.1. Strategy: ECONOMIC DEVELOPMENT Center for Entrepreneurship and Economic Development.	$ 140,278	$ 140,278
C.2.2. Strategy: CENTER FOR MANUFACTURING	$ 218,992	$ 218,992
C.2.3. Strategy: UT SYSTEM K-12 COLLABORATION University of Texas System K-12 Collaboration Initiative.	$ 175,739	$ 175,739
C.2.4. Strategy: TRADE & TECHNOLOGY/TELECOMM Provide video teleconferencing capabilities to local small businesses.	$ 131,805	$ 131,805
C.2.5. Strategy: DIABETES REGISTRY	$ 252,443	$ 252,443
C.2.6. Strategy: TEXAS/MEXICO BORDER HEALTH	$ 350,000	$ 350,000

THE UNIVERSITY OF TEXAS - PAN AMERICAN
(Continued)

C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 7,616,054	$ 7,616,054
C.3.2. Strategy: TRANSITION TO COLLEGE Successful Transition to College Project.	$ 500,000	$ 500,000
Total, Goal C: SPECIAL ITEM SUPPORT	$ 10,085,311	$ 10,085,311
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$ 60,288,088	$ 60,923,189
Method of Financing:		
General Revenue Fund	$ 46,722,386	$ 47,352,920
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	290,160	290,160
Estimated Other Educational and General Income Account No. 770	13,275,542	13,280,109
Subtotal, General Revenue Fund - Dedicated	$ 13,565,702	$ 13,570,269
Total, Method of Financing	$ 60,288,088	$ 60,923,189

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 20,154,483	$ 20,415,541
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$ 20,154,483	$ 20,415,541
Method of Financing:		
General Revenue Fund	$ 17,077,485	$ 17,336,988
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	76,000	76,000
Estimated Other Educational and General Income Account No. 770	3,000,998	3,002,553
Subtotal, General Revenue Fund - Dedicated	$ 3,076,998	$ 3,078,553
Total, Method of Financing	$ 20,154,483	$ 20,415,541
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	294.2	294.2
Number of Full-Time-Equivalent Positions (FTE)-Total	441.9	441.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	11.4%	11.4%
State Pass Rate of Education EXCET Exam	41.6%	42%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	75.8%	75.8%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 6,951,619	$ 6,951,619
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 293,244	$ 293,245
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 99,050	$ 111,352
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 20,438	$ 20,438
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 490,489	$ 490,798
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 248,578	$ 248,578
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 109,880	$ 194,602
Total, Goal A: INSTRUCTION/OPERATIONS	$ 8,213,298	$ 8,310,632
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,577,390	$ 2,577,390
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,976,054	$ 1,976,171
B.1.3. Strategy: LEASE OF FACILITIES	$ 1,471,997	$ 1,635,604
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 6,025,441	$ 6,189,165
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: ECONOMIC DEVELOPMENT Texas Center for Border Economic Development.	$ 250,000	$ 250,000
C.2.2. Strategy: K-16 COLLABORATION IN UTB SRV AREA K-16 collaboration in the UT-Brownsville service area.	$ 250,000	$ 250,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 5,415,744	$ 5,415,744
Total, Goal C: SPECIAL ITEM SUPPORT	$ 5,915,744	$ 5,915,744
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$ 20,154,483	$ 20,415,541
Method of Financing:		
General Revenue Fund	$ 17,077,485	$ 17,336,988

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
(Continued)

General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	76,000	76,000
Estimated Other Educational and General Income Account No. 770	3,000,998	3,002,553
Subtotal, General Revenue Fund - Dedicated	$ 3,076,998	$ 3,078,553
Total, Method of Financing	$ 20,154,483	$ 20,415,541

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 16,015,964	$ 15,867,679
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$ 16,015,964	$ 15,867,679
Method of Financing:		
General Revenue Fund	$ 13,697,310	$ 13,548,171
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	137,270	137,270
Estimated Other Educational and General Income Account No. 770	2,181,384	2,182,238
Subtotal, General Revenue Fund - Dedicated	$ 2,318,654	$ 2,319,508
Total, Method of Financing	$ 16,015,964	$ 15,867,679
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	248.5	248.5
Number of Full-Time-Equivalent Positions (FTE)-Total	295.5	297.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	31%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	64.9%	64.9%
Administrative Cost as a Percent of Total Expenditures	12.5%	12.5%
State Pass Rate of Education EXCET Exam	68.3%	69%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	43.5%	43.5%
Percent of Lower Division Courses Taught by Tenured Faculty	53.7%	53.7%

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	$ 5,957,878	$ 5,957,878
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 253,392	$ 253,393
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 143,733	$ 161,584
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 36,871	$ 36,871
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 461,915	$ 462,091
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 20,513	$ 20,513
Indirect cost recovery for research related activities.		
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 883,244	$ 883,244
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING	$ 475,909	$ 475,909
Capital Equity and Excellence funding.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 8,233,455	$ 8,251,483
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 2,253,123	$ 2,253,123
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,810,607	$ 1,644,294
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 24,718	$ 24,718
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,088,448	$ 3,922,135
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: CENTER FOR ENERGY	$ 329,511	$ 329,511
C.1.2. Strategy: PRESIDENTIAL MUSEUM	$ 125,000	$ 125,000
C.2.1. Strategy: PUBLIC LEADERSHIP INSTITUTE	$ 878,697	$ 878,697
John Ben Shepperd Public Leadership Institute.		
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,360,853	$ 2,360,853
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,694,061	$ 3,694,061
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$ 16,015,964	$ 15,867,679
Method of Financing:		
General Revenue Fund	$ 13,697,310	$ 13,548,171
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	137,270	137,270
Estimated Other Educational and General Income Account No. 770	2,181,384	2,182,238
Subtotal, General Revenue Fund - Dedicated	$ 2,318,654	$ 2,319,508
Total, Method of Financing	$ 16,015,964	$ 15,867,679

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 88,130,548	$ 87,578,785
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$ 88,130,548	$ 87,578,785
Method of Financing:		
General Revenue Fund	$ 66,971,445	$ 66,405,033
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,321,640	1,321,640
Estimated Other Educational and General Income Account No. 770	19,837,463	19,852,112
Subtotal, General Revenue Fund - Dedicated	$ 21,159,103	$ 21,173,752
Total, Method of Financing	$ 88,130,548	$ 87,578,785
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,638.3	1,638.3
Number of Full-Time-Equivalent Positions (FTE)-Total	2,242.3	2,262.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	26.7%	27.3%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	62.6%	63.7%
Administrative Cost as a Percent of Total Expenditures	11.4%	11.4%
State Pass Rate of Education EXCET Exam	90%	90%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	56%	56%
Percent of Lower Division Courses Taught by Tenured Faculty	38.9%	38.9%
State Licensure Pass Rate of Engineering Graduates	66%	67%
Dollar Value of External or Sponsored Research Funds (in Millions)	7	7.5
A.1.1. Strategy: OPERATIONS SUPPORT	$ 47,308,039	$ 47,308,039
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,699,961	$ 1,699,962
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,698,568	$ 1,909,530
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 212,090	$ 212,090
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 388	$ 388
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,705,386	$ 2,707,403
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 678,794	$ 678,794

A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 5,830,074	$ 5,830,074
Total, Goal A: INSTRUCTION/OPERATIONS	$ 60,133,300	$ 60,346,280
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 10,572,176	$ 10,572,176
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 6,269,746	$ 5,505,003
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 222,140	$ 222,140
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 17,064,062	$ 16,299,319
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: TEXAS PRE-ENGINEERING PROGRAM	$ 636,788	$ 636,788
C.2.1. Strategy: WATER RESEARCH CENTER Center for Water Research.	$ 150,000	$ 150,000
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 2,126,097	$ 2,126,097
C.3.2. Strategy: INSTITUTE OF TEXAN CULTURES	$ 2,232,144	$ 2,232,144
C.4.1. Strategy: DOWNTOWN CAMPUS PHASE II	$ 1,500,000	$ 1,500,000
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$ 4,288,157	$ 4,288,157
Total, Goal C: SPECIAL ITEM SUPPORT	$ 10,933,186	$ 10,933,186
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$ 88,130,548	$ 87,578,785
Method of Financing:		
General Revenue Fund	$ 66,971,445	$ 66,405,033
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,321,640	1,321,640
Estimated Other Educational and General Income Account No. 770	19,837,463	19,852,112
Subtotal, General Revenue Fund - Dedicated	$ 21,159,103	$ 21,173,752
Total, Method of Financing	$ 88,130,548	$ 87,578,785

2. **Small Business Development Center.** Included in the appropriation above to The University of Texas at San Antonio is $2,126,097 in each year of the biennium for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,252,194 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT TYLER

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 24,727,769	$ 24,032,832
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$ 24,727,769	$ 24,032,832
Method of Financing:		
General Revenue Fund	$ 21,562,566	$ 20,866,694
Estimated Other Educational and General Income Account No. 770	3,165,203	3,166,138
Total, Method of Financing	$ 24,727,769	$ 24,032,832
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	353.3	353.3
Number of Full-Time-Equivalent Positions (FTE)-Total	385.9	387.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	74%	75%
Administrative Cost as a Percent of Total Expenditures	14.9%	14%
State Pass Rate of Education EXCET Exam	88%	88%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	41%	41%
Percent of Lower Division Courses Taught by Tenured Faculty	61.6%	61.6%
State Licensure Pass Rate of Nursing Graduates	98%	98%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 11,960,056	$ 11,960,057
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 471,304	$ 471,304
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 352,419	$ 396,190
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 68,574	$ 68,574
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 475,809	$ 475,955
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 51,818	$ 51,818
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 967,373	$ 967,373
Total, Goal A: INSTRUCTION/OPERATIONS	$ 14,347,353	$ 14,391,271
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,955,157	$ 2,955,157

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 936,795	$ 936,725
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 39,028	$ 39,028
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 3,930,980	$ 3,930,910
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: 4-YEAR START UP OPERATIONS	$ 1,280,000	$ 1,375,000
C.1.2. Strategy: LONGVIEW CAMPUS	$ 1,377,625	$ 1,377,625
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,791,811	$ 2,958,026
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,449,436	$ 5,710,651
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$ 24,727,769	$ 24,032,832
Method of Financing:		
General Revenue Fund	$ 21,562,566	$ 20,866,694
Estimated Other Educational and General Income Account No. 770	3,165,203	3,166,138
Total, Method of Financing	$ 24,727,769	$ 24,032,832

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 3,109,467	$ 609,467
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 3,109,467	$ 609,467
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	83.0	83.0
Number of Full-Time-Equivalent Positions (FTE)-Total	287.8	287.8
Supplemental Appropriations Made in Riders:	$ 2,037,000	$ 1,505,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES
(Continued)

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 609,467	$ 609,467
B. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
B.1.1. Strategy: SCHOLARSHIPS	$ 2,500,000	$ UB
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 3,109,467	$ 609,467

2. **Mineral Fund Appropriated.** There is hereby appropriated to the Board of Regents of the Texas A&M University System the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with VTCA, Education Code § 85.70, and the income from said Fund is hereby appropriated to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation. Mineral Funds estimated to be $2,037,000 in 2002 and $1,505,000 in 2003.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $325,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **De Jure Racial Segregation Study.** Out of funds appropriated, the Texas A&M University System shall study the mission and activities of the Texas A&M University System Agricultural Extension Service and the Prairie View A&M University Cooperative Extension Program to eliminate vestiges of *de jure* racial segregation, if any, increase efficiency, maximize funding from sources other than General Revenue, and improve services to all the people of Texas. The study and recommendations shall be provided to the Legislative Budget Board and the Governor's Office of Budget and Planning by September 1, 2002.

TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 285,938,050	$ 286,163,727
Grand Total, TEXAS A&M UNIVERSITY	$ 285,938,050	$ 286,163,727
Method of Financing:		
General Revenue Fund	$ 206,744,183	$ 206,843,731

General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	5,600,000	5,600,000
Estimated Other Educational and General Income Account No. 770	71,480,867	71,606,996
Subtotal, General Revenue Fund - Dedicated	$ 77,080,867	$ 77,206,996
Real Estate Fee Trust Account No 969	2,113,000	2,113,000
Total, Method of Financing	$ 285,938,050	$ 286,163,727
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	6,377.0	6,377.0
Number of Full-Time-Equivalent Positions (FTE)-Total	10,109.0	10,139.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	70%	70%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	90%	90%
Administrative Cost as a Percent of Total Expenditures	3.4%	3.4%
State Pass Rate of Education EXCET Exam	92.6%	92.6%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	50%	50%
Percent of Lower Division Courses Taught by Tenured Faculty	30%	30%
State Licensure Pass Rate of Engineering Graduates	88.5%	88.5%
State Licensure Examination Pass Rate of Veterinary Medicine Graduates	97.2%	97.2%
Dollar Value of External or Sponsored Research Funds (in Millions)	82.9	82.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 200,865,186	$ 200,865,186
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 5,854,394	$ 5,854,395
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 4,626,643	$ 5,201,272
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 2,315,221	$ 2,315,221
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 6,902,626	$ 6,917,003
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 3,476,000	$ 3,476,000
A.1.7. Strategy: ORGANIZED ACTIVITIES	$ 6,942,093	$ 6,942,093
Total, Goal A: INSTRUCTION/OPERATIONS	$ 230,982,163	$ 231,571,170
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 41,954,561	$ 41,954,561
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,756,639	$ 1,744,788
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 472,848	$ 472,848
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 44,184,048	$ 44,172,197

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: VETERINARY MEDICAL EDUCATION PGM	$ 1,500,000	$ 1,500,000
Veterinary Medical Education Program.		
C.2.1. Strategy: CYCLOTRON INSTITUTE	$ 626,462	$ 626,462
C.2.2. Strategy: SEA GRANT PROGRAM	$ 411,060	$ 411,060
C.2.3. Strategy: ENERGY RESOURCES PROGRAM	$ 630,589	$ 630,589
C.2.4. Strategy: PUBLIC POLICY RESOURCE LABORATORY	$ 47,135	$ 47,135
C.2.5. Strategy: REAL ESTATE RESEARCH CENTER	$ 2,113,000	$ 2,113,000
C.3.1. Strategy: SCHOOL OF ARCHITECTURE	$ 857,456	$ 857,456
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 4,586,137	$ 4,234,658
Total, Goal C: SPECIAL ITEM SUPPORT	$ 10,771,839	$ 10,420,360
Grand Total, TEXAS A&M UNIVERSITY	$ 285,938,050	$ 286,163,727
Method of Financing:		
General Revenue Fund	$ 206,744,183	$ 206,843,731
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	5,600,000	5,600,000
Estimated Other Educational and General Income Account No. 770	71,480,867	71,606,996
Subtotal, General Revenue Fund - Dedicated	$ 77,080,867	$ 77,206,996
Real Estate Fee Trust Account No 969	2,113,000	2,113,000
Total, Method of Financing	$ 285,938,050	$ 286,163,727

2. **Real Estate Research Center.** Funds derived from the provisions of VTCS, Article 6573a, § 5.m, in support of the Real Estate Research Center at Texas A&M University, are appropriated above to said center for the purposes stipulated therein. No employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

3. **Contingency Appropriation for Contract Settlement.** Contingent on a finding by a judge of the State Office of Administrative Hearings that Texas A&M University is liable for damages to DalMac Construction Company because of breach of a contract for the construction of a recreational sports building, Texas A&M University is authorized, from the funds appropriated above, to pay the liability to DalMac, an amount of not more than the lesser of : (1) $3,000,000; or (2) the amount owed on the contract including any orders for additional work, less any amount owed for work not performed under the contract or in substantial compliance with the contract, and less any valid counterclaim or offset asserted by Texas A&M University. The amount paid by Texas A&M University to DalMac Construction Company may not include any amount attributable to consequential damages resulting from any breach of contract, punitive or exemplary damages, or attorney fees.

TEXAS A&M UNIVERSITY AT GALVESTON

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 13,621,517	$ 13,659,041
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$ 13,621,517	$ 13,659,041
Method of Financing:		
General Revenue Fund	$ 10,750,981	$ 10,781,039
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	2,870,536	2,878,002
Total, Method of Financing	$ 13,621,517	$ 13,659,041
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	279.0	279.0
Number of Full-Time-Equivalent Positions (FTE)-Total	418.0	422.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	50%	50%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	71%	74%
Administrative Cost as a Percent of Total Expenditures	10%	11%
Percent of Lower Division Courses Taught by Tenured Faculty	35%	38%
Dollar Value of External or Sponsored Research Funds (in Millions)	4.7	5.7
A.1.1. Strategy: OPERATIONS SUPPORT	$ 3,648,865	$ 3,648,865
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 142,437	$ 142,438
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 200,679	$ 225,603
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 95,655	$ 95,655
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 828	$ 828
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 241,833	$ 242,608
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 225,000	$ 225,000
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 451,967	$ 451,967
Total, Goal A: INSTRUCTION/OPERATIONS	$ 5,007,264	$ 5,032,964
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,160,396	$ 2,160,396

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: MARINE/MARITIME INSTRUCTION	$ 2,350,223	$ 2,403,122
Marine and maritime instructional enhancement.		
C.2.1. Strategy: COASTAL ZONE LABORATORY	$ 26,151	$ 26,151
C.2.2. Strategy: INSTITUTE OF OCEANOGRAPHY	$ 536,373	$ 536,373
Texas Institute of Oceanography.		
C.4.1. Strategy: DREDGING OF DOCK AREA	$ 41,075	$ UB
C.4.2. Strategy: SHIP OPERATION & MAINTENANCE	$ 1,030,971	$ 1,030,971
Ship operation and maintenance.		
C.4.3. Strategy: MARINE TERMINAL OPERATION	$ 459,688	$ 459,688
Marine terminal operations.		
C.4.4. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,009,376	$ 2,009,376
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,453,857	$ 6,465,681
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$ 13,621,517	$ 13,659,041
Method of Financing:		
General Revenue Fund	$ 10,750,981	$ 10,781,039
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	2,870,536	2,878,002
Total, Method of Financing	$ 13,621,517	$ 13,659,041

2. **Training Vessel.** No funds appropriated to Texas A&M University at Galveston may be expended for purchase of a training vessel.

PRAIRIE VIEW A&M UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 53,029,373	$ 53,449,310
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$ 53,029,373	$ 53,449,310
Method of Financing:		
General Revenue Fund	$ 41,732,437	$ 42,125,345
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	90,017	90,017

Estimated Other Educational and General Income Account No. 770	10,206,919	10,233,948
Center for Study and Prevention of Juvenile Crime and Delinquency	1,000,000	1,000,000
Subtotal, General Revenue Fund - Dedicated	$ 11,296,936	$ 11,323,965
Total, Method of Financing	$ 53,029,373	$ 53,449,310
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	645.2	645.2
Number of Full-Time-Equivalent Positions (FTE)-Total	1,086.7	1,086.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	32%	33%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70%	70%
Administrative Cost as a Percent of Total Expenditures	10%	10%
State Pass Rate of Education EXCET Exam	75.9%	75.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	47.7%	47.7%
Percent of Lower Division Courses Taught by Tenured Faculty	49.9%	49.9%
State Licensure Pass Rate of Engineering Graduates	65%	65%
State Licensure Pass Rate of Nursing Graduates	93%	93%
Dollar Value of External or Sponsored Research Funds (in Millions)	11	11
A.1.1. Strategy: OPERATIONS SUPPORT	$ 20,467,305	$ 20,467,305
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 754,985	$ 754,985
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 943,284	$ 1,060,440
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 251,296	$ 251,296
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 7,858	$ 7,858
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,045,083	$ 1,048,275
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 858,356	$ 858,356
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 1,437,239	$ 1,437,239
Total, Goal A: INSTRUCTION/OPERATIONS	$ 25,765,406	$ 25,885,754
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 5,469,847	$ 5,469,847
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,296,303	$ 1,295,893
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 6,766,150	$ 6,765,740

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: STUDENT NURSE STIPENDS	$ 192,444	$ 192,444
C.1.2. Strategy: HONORS PROGRAM	$ 100,000	$ 100,000
C.1.3. Strategy: TEXAS MEDICAL CENTER LIBRARY	$ 27,267	$ 27,267
Texas Medical Center library assessment.		
C.2.1. Strategy: AGRICULTURE RESEARCH CENTER	$ 997,519	$ 997,519
Cooperative Agriculture Research Center.		
C.3.1. Strategy: EXTENSION AND PUBLIC SERVICE	$ 1,923,081	$ 1,923,081
C.3.2. Strategy: JUVENILE CRIME PREVENTION CENTER	$ 1,000,000	$ 1,000,000
Juvenile Crime Prevention Center. Estimated.		
C.3.3. Strategy: COMMUNITY DEVELOPMENT	$ 150,000	$ 150,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,757,506	$ 3,757,505
Total, Goal C: SPECIAL ITEM SUPPORT	$ 8,147,817	$ 8,147,816
D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN		
Texas commitment - OCR Priority Plan.		
D.1.1. Strategy: OCR PRIORITY PLAN	$ 12,350,000	$ 12,650,000 & UB
Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.		
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$ 53,029,373	$ 53,449,310
Method of Financing:		
General Revenue Fund	$ 41,732,437	$ 42,125,345
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	90,017	90,017
Estimated Other Educational and General Income Account No. 770	10,206,919	10,233,948
Center for Study and Prevention of Juvenile Crime and Delinquency	1,000,000	1,000,000
Subtotal, General Revenue Fund - Dedicated	$ 11,296,936	$ 11,323,965
Total, Method of Financing	$ 53,029,373	$ 53,449,310

2. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

	in millions	
OCR Priority Plan Items	**2002**	**2003**
1. University College	$1.20	$1.20
2. Texas Institute for the Preservation of History and Culture	$0.25	$0.25
3. Student Development and Support Center	$1.00	$1.00
4. Honors Scholarships	$0.80	$0.80
5. Information Technology	$0.80	$0.80
6. Accreditation	$0.20	$0.20
7. College of Nursing	$0.50	$0.50

PRAIRIE VIEW A&M UNIVERSITY
(Continued)

8.	College of Engineering	$0.50	$0.50
9.	MS Accounting		$0.30
10.	MS/PhD Electrical Engineering	$0.90	$0.90
11.	Enhance Educator Preparation	$0.40	$0.40
12.	BS Construction Science	$0.50	$0.50
13.	MS Architecture	$0.50	$0.50
14.	PhD Educational Leadership	$0.60	$0.60
15.	Four Endowed Chairs	$1.00	$1.00
16.	MS Information Systems	$0.70	$0.70
17.	MS Community Development	$0.40	$0.40
18.	Community and Urban Rural Extension	$0.20	$0.20
19.	Faculty Recruitment, Retention, and Development	$1.50	$1.50
20.	MS Computer Science	$0.40	$0.40
	TOTAL:	$12.35	$12.65 & UB

3. **OCR Priority Plan Reporting Requirements.** Prairie View A&M University shall work with the Texas A&M University System; and Prairie View A&M University and the Texas A&M University System shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board in order to establish a detailed plan to accomplish the goal and create benchmarks and performance measures to be adopted in accordance with the OCR Priority Plan for the above items by September 1, 2001, and shall report them semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. It is legislative intent that any funds not spent during the 2002–03 biennium shall be transferred to the 2004–05 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

4. **Establishment of America's Promise School.** Out of the funds appropriated above Prairie View A& M University will jointly establish an America's Promise School with Waller Independent School District. The school will be a full service pre-kindergarten through fourth grade community-centered elementary school based around the America's Promise concept, which includes the following five promises: (1) an ongoing relationship with a caring adult/mentor; (2) safe places and structured activities before and after school; (3) a healthy start, including nutritional and health-related services; (4) students developing marketable skills through effective education; and (5) opportunities for the students to serve and give back to the community.

5. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

TARLETON STATE UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 36,355,917	$ 36,446,507
Grand Total, TARLETON STATE UNIVERSITY	$ 36,355,917	$ 36,446,507

Method of Financing:		
General Revenue Fund	$ 27,710,839	$ 27,798,803
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	230,000	230,000
Estimated Other Educational and General Income Account No. 770	8,415,078	8,417,704
Subtotal, General Revenue Fund - Dedicated	$ 8,645,078	$ 8,647,704
Total, Method of Financing	$ 36,355,917	$ 36,446,507
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	700.9	700.9
Number of Full-Time-Equivalent Positions (FTE)-Total	1,010.9	1,012.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37.5%	37.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66.8%	68%
Administrative Cost as a Percent of Total Expenditures	10%	10%
State Pass Rate of Education EXCET Exam	80.7%	80.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	61%	62%
Percent of Lower Division Courses Taught by Tenured Faculty	39%	40%
State Licensure Pass Rate of Nursing Graduates	93%	95%
Dollar Value of External or Sponsored Research Funds (in Millions)	1.8	1.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 21,528,779	$ 21,528,779
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 812,952	$ 812,953
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 729,666	$ 820,290
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 162,081	$ 162,081
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 30,000	$ 30,000
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,112,630	$ 1,113,005
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 80,000	$ 80,000
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 562,484	$ 562,484
A.1.9. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 1,115,601	$ 1,115,601
Total, Goal A: INSTRUCTION/OPERATIONS	$ 26,134,193	$ 26,225,193

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 4,656,677	$ 4,656,677
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,296,303	$ 1,295,893
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 5,952,980	$ 5,952,570
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: CENTRAL TEXAS CENTER	$ 25,000	$ 25,000
University System Center - Central Texas.		
C.2.1. Strategy: ENVIRONMENTAL RESEARCH	$ 1,600,000	$ 1,600,000
Institute for Applied Environmental Research.		
C.2.2. Strategy: AGRICULTURE CENTER	$ 375,000	$ 375,000
Tarleton Agriculture Center.		
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,268,744	$ 2,268,744
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,268,744	$ 4,268,744
Grand Total, TARLETON STATE UNIVERSITY	$ 36,355,917	$ 36,446,507
Method of Financing:		
General Revenue Fund	$ 27,710,839	$ 27,798,803
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	230,000	230,000
Estimated Other Educational and General Income Account No. 770	8,415,078	8,417,704
Subtotal, General Revenue Fund - Dedicated	$ 8,645,078	$ 8,647,704
Total, Method of Financing	$ 36,355,917	$ 36,446,507

2. **Bosque River Monitoring Project.** The Institute for Applied Environmental Research shall conduct water quality monitoring for the Bosque River. The institute shall coordinate the collection and reporting of data to conform with Texas Natural Resource Conservation Commission protocols. The institute shall report on the water quality in the Bosque River by July 1 and February 1 of each year to the commission. It is legislative intent that the water quality monitoring efforts of the Institute for Applied Environmental Research, Texas Natural Resource Conservation Commission, and other appropriate agencies and entities be cooperative and non-duplicative.

TEXAS A&M UNIVERSITY - CORPUS CHRISTI

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 45,407,096	$ 45,767,589
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$ 45,407,096	$ 45,767,589
Method of Financing:		
General Revenue Fund	$ 38,313,001	$ 38,668,864
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	7,094,095	7,098,725
Total, Method of Financing	$ 45,407,096	$ 45,767,589
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	733.6	733.6
Number of Full-Time-Equivalent Positions (FTE)-Total	1,016.0	1,016.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	38.5%	39%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72.5%	73%
Administrative Cost as a Percent of Total Expenditures	13.5%	13%
State Pass Rate of Education EXCET Exam	64.2%	64.8%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65.6%	65.6%
Percent of Lower Division Courses Taught by Tenured Faculty	48.5%	49%
State Licensure Pass Rate of Nursing Graduates	87%	88%
Dollar Value of External or Sponsored Research Funds (in Millions)	1.8	1.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 19,631,892	$ 19,631,892
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 802,738	$ 802,738
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 572,299	$ 643,379
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 119,114	$ 119,114
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 11,617	$ 11,617
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 990,444	$ 991,109
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 86,625	$ 86,625
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 385,534	$ 682,793
Total, Goal A: INSTRUCTION/OPERATIONS	$ 22,600,263	$ 22,969,267

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 4,022,884	$ 4,022,884
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 8,876,791	$ 8,868,280
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 12,899,675	$ 12,891,164
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SCHOOL NURSING PROGRAM	$ 350,000	$ 350,000
School Nursing Program for Early Childhood Development Center.		
C.1.2. Strategy: ENVIRONMENTAL CENTER	$ 200,000	$ 200,000
Environmental Learning Center.		
C.2.1. Strategy: COASTAL STUDIES	$ 303,964	$ 303,964
Center for Coastal Studies.		
C.2.2. Strategy: GULF OF MEXICO ENVIRONMENTAL LAB	$ 300,000	$ 300,000
Gulf of Mexico Environmental Research Laboratory.		
C.3.1. Strategy: WATER RESOURCES CENTER	$ 75,245	$ 75,245
C.3.2. Strategy: ART MUSEUM	$ 358,522	$ 358,522
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 8,319,427	$ 8,319,427
Total, Goal C: SPECIAL ITEM SUPPORT	$ 9,907,158	$ 9,907,158
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$ 45,407,096	$ 45,767,589
Method of Financing:		
General Revenue Fund	$ 38,313,001	$ 38,668,864
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	7,094,095	7,098,725
Total, Method of Financing	$ 45,407,096	$ 45,767,589

2. **Art Museum Contingency.** Out of the funds appropriated above, $263,609 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least $527,218 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than $527,218, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.

TEXAS A&M UNIVERSITY - KINGSVILLE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 41,009,009	$ 39,738,814
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$ 41,009,009	$ 39,738,814
Method of Financing:		
General Revenue Fund	$ 32,307,340	$ 31,031,802
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	8,701,669	8,707,012
Total, Method of Financing	$ 41,009,009	$ 39,738,814
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	784.5	800.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,129.5	1,129.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27%	30%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	65%	65%
Administrative Cost as a Percent of Total Expenditures	12.4%	12.4%
State Pass Rate of Education EXCET Exam	25%	25.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	50.1%	50.1%
Percent of Lower Division Courses Taught by Tenured Faculty	57%	58%
State Licensure Pass Rate of Engineering Graduates	70%	70%
Dollar Value of External or Sponsored Research Funds (in Millions)	7.3	7.4
A.1.1. Strategy: OPERATIONS SUPPORT	$ 18,567,474	$ 18,567,474
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 769,042	$ 769,042
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 813,798	$ 914,872
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 229,262	$ 229,262
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 2,396	$ 2,396
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 893,556	$ 894,249
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 321,712	$ 321,712
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 138,358	$ 138,358
A.1.9. Strategy: FORMULA HOLD HARMLESS	$ 673,944	$ 673,944
A.1.10. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 371,784	$ 658,442
Total, Goal A: INSTRUCTION/OPERATIONS	$ 22,781,326	$ 23,169,751

TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 4,369,321	$ 4,369,321
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,688,701	$ 2,655,081
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 7,058,022	$ 7,024,402
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: PHD IN ENGINEERING	$ 275,000	$ UB
C.1.2. Strategy: PHARMACY SCHOOL START-UP	$ 350,000	$ UB
C.1.3. Strategy: SYSTEM CENTER - PALO ALTO	$ 2,600,000	$ 1,600,000 & UB
TAMUK System Center - Palo Alto.		
C.2.1. Strategy: CITRUS CENTER	$ 846,844	$ 846,844
C.2.2. Strategy: WILDLIFE RESEARCH INSTITUTE	$ 315,428	$ 315,428
C.3.1. Strategy: JOHN E. CONNOR MUSEUM	$ 31,121	$ 31,121
C.3.2. Strategy: SOUTH TEXAS ARCHIVES	$ 125,000	$ 125,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 6,626,268	$ 6,626,268
Total, Goal C: SPECIAL ITEM SUPPORT	$ 11,169,661	$ 9,544,661
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$ 41,009,009	$ 39,738,814
Method of Financing:		
General Revenue Fund	$ 32,307,340	$ 31,031,802
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	8,701,669	8,707,012
Total, Method of Financing	$ 41,009,009	$ 39,738,814

TEXAS A&M INTERNATIONAL UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 33,279,566	$ 33,388,991
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$ 33,279,566	$ 33,388,991
Method of Financing:		
General Revenue Fund	$ 30,169,186	$ 30,273,839
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	3,110,380	3,115,152
Total, Method of Financing	$ 33,279,566	$ 33,388,991

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	451.0	451.0
Number of Full-Time-Equivalent Positions (FTE)-Total	516.0	521.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	22%	25%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68%	70%
Administrative Cost as a Percent of Total Expenditures	19%	19%
State Pass Rate of Education EXCET Exam	73%	75%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	74%	74%
Percent of Lower Division Courses Taught by Tenured Faculty	68%	70%
Dollar Value of External or Sponsored Research Funds (in Millions)	.25	.25
A.1.1. Strategy: OPERATIONS SUPPORT	$ 8,187,717	$ 8,187,717
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 359,342	$ 359,343
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 170,574	$ 191,759
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 42,330	$ 42,330
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 319	$ 319
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 366,464	$ 367,096
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 8,161	$ 8,161
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 185,891	$ 329,219
Total, Goal A: INSTRUCTION/OPERATIONS	$ 9,320,798	$ 9,485,944
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,571,103	$ 2,571,103
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 12,173,674	$ 12,117,953
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 14,744,777	$ 14,689,056
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: PHD PROGRAM IN BUSINESS	$ 1,750,000	$ 1,750,000

TEXAS A&M INTERNATIONAL UNIVERSITY
(Continued)

C.2.1. Strategy: INTERNATIONAL TRADE INSTITUTE Institute for International Trade.	$ 91,654	$ 91,654
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 7,372,337	$ 7,372,337
Total, Goal C: SPECIAL ITEM SUPPORT	$ 9,213,991	$ 9,213,991
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$ 33,279,566	$ 33,388,991
Method of Financing:		
General Revenue Fund	$ 30,169,186	$ 30,273,839
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	3,110,380	3,115,152
Total, Method of Financing	$ 33,279,566	$ 33,388,991

WEST TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 33,396,547	$ 33,782,316
Grand Total, WEST TEXAS A&M UNIVERSITY	$ 33,396,547	$ 33,782,316
Method of Financing:		
General Revenue Fund	$ 25,747,619	$ 26,122,339
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	150,000	150,000
Estimated Other Educational and General Income Account No. 770	7,498,928	7,509,977
Subtotal, General Revenue Fund - Dedicated	$ 7,648,928	$ 7,659,977
Total, Method of Financing	$ 33,396,547	$ 33,782,316
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	608.5	608.5
Number of Full-Time-Equivalent Positions (FTE)-Total	809.5	809.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

WEST TEXAS A&M UNIVERSITY
(Continued)

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	32%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	71.8%	73.1%
Administrative Cost as a Percent of Total Expenditures	8.1%	8.1%
State Pass Rate of Education EXCET Exam	61.3%	61.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	52.3%	52.3%
Percent of Lower Division Courses Taught by Tenured Faculty	45.2%	45.2%
State Licensure Pass Rate of Nursing Graduates	95%	95%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 18,837,341	$ 18,837,341
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 738,349	$ 738,349
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 884,033	$ 993,830
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 177,874	$ 177,874
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 1,786	$ 1,786
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,035,894	$ 1,037,498
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 90,000	$ 90,000
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 91,885	$ 91,885
A.1.9. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 383,847	$ 679,806
Total, Goal A: INSTRUCTION/OPERATIONS	$ 22,241,009	$ 22,648,369
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 4,022,116	$ 4,022,116
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 873,340	$ 869,649
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 85,200	$ 85,200
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,980,656	$ 4,976,965
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: KILLGORE RESEARCH CENTER	$ 50,034	$ 50,034
C.1.2. Strategy: WIND ENERGY RESEARCH	$ 110,000	$ 120,000
C.1.3. Strategy: ENVIRONMENTAL RESEARCH	$ 1,000,000	$ 1,000,000
C.1.4. Strategy: INTEGRATED PEST MANAGEMENT Integrated pest management.	$ 150,000	$ 150,000
C.2.1. Strategy: PANHANDLE-PLAINS MUSEUM Panhandle-Plains Historical Museum.	$ 629,731	$ 601,831
C.2.2. Strategy: RURAL AGRI-BUSINESS Rural agri-business incubator and accelerator.	$ 750,000	$ 750,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,485,117	$ 3,485,117
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,174,882	$ 6,156,982
Grand Total, WEST TEXAS A&M UNIVERSITY	$ 33,396,547	$ 33,782,316

WEST TEXAS A&M UNIVERSITY
(Continued)

Method of Financing:		
General Revenue Fund	$ 25,747,619	$ 26,122,339
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	150,000	150,000
Estimated Other Educational and General Income Account No. 770	7,498,928	7,509,977
Subtotal, General Revenue Fund - Dedicated	$ 7,648,928	$ 7,659,977
Total, Method of Financing	$ 33,396,547	$ 33,782,316

2. **Rural Agri-Business Incubator and Accelerator.** Included in the appropriation above to West Texas A&M University is $750,000 in fiscal year 2002 and $750,000 in fiscal year 2003 for the Rural Agri-Business Incubator and Accelerator, or its equivalent, due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Rural Agri-Business Incubator and Accelerator will generate at least $1,500,000 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Rural Agri-Business Incubator and Accelerator be used to attract federal funds on a dollar-for-dollar basis.

TEXAS A&M UNIVERSITY - COMMERCE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 37,714,320	$ 38,405,283
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$ 37,714,320	$ 38,405,283
Method of Financing:		
General Revenue Fund	$ 29,227,725	$ 29,913,432
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	905,000	905,000
Estimated Other Educational and General Income Account No. 770	7,581,595	7,586,851
Subtotal, General Revenue Fund - Dedicated	$ 8,486,595	$ 8,491,851
Total, Method of Financing	$ 37,714,320	$ 38,405,283
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	835.8	835.8
Number of Full-Time-Equivalent Positions (FTE)-Total	1,123.7	1,123.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	35.6%	35.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72.4%	73.7%
Administrative Cost as a Percent of Total Expenditures	10.3%	10.3%
State Pass Rate of Education EXCET Exam	85.7%	85.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	44%	44%
Percent of Lower Division Courses Taught by Tenured Faculty	48%	49%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 25,245,397	$ 25,245,397
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 721,080	$ 721,080
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 961,704	$ 1,081,148
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 127,880	$ 131,716
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 31,937	$ 32,704
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,123,043	$ 1,123,782
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 40,000	$ 40,000
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 127,000	$ 127,000
A.1.9. Strategy: FORMULA HOLD HARMLESS	$ 456,592	$ 456,592
A.1.10. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 442,301	$ 783,329
Total, Goal A: INSTRUCTION/OPERATIONS	$ 29,276,934	$ 29,742,748
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 4,441,438	$ 4,441,438
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 429,000	$ 429,500
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 96,000	$ 96,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,966,438	$ 4,966,938
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INDUSTRIAL ENGINEERING PROGRAM Bachelor of Science Degree Program in Industrial Engineering.	$ 375,351	$ 600,000
C.2.1. Strategy: EDUCATIONAL CONSORTIUM Northeast Texas Educational Partnership Consortium.	$ 750,257	$ 750,257
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,345,340	$ 2,345,340
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,470,948	$ 3,695,597
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$ 37,714,320	$ 38,405,283

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

Method of Financing:		
General Revenue Fund	$ 29,227,725	$ 29,913,432
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	905,000	905,000
Estimated Other Educational and General Income Account No. 770	7,581,595	7,586,851
Subtotal, General Revenue Fund - Dedicated	$ 8,486,595	$ 8,491,851
Total, Method of Financing	$ 37,714,320	$ 38,405,283

TEXAS A&M UNIVERSITY - TEXARKANA

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 9,459,572	$ 9,554,055
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$ 9,459,572	$ 9,554,055
Method of Financing:		
General Revenue Fund	$ 8,406,870	$ 8,499,013
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	97,560	97,560
Estimated Other Educational and General Income Account No. 770	955,142	957,482
Subtotal, General Revenue Fund - Dedicated	$ 1,052,702	$ 1,055,042
Total, Method of Financing	$ 9,459,572	$ 9,554,055
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	148.9	148.9
Number of Full-Time-Equivalent Positions (FTE)-Total	178.9	178.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	12%	12%
State Pass Rate of Education EXCET Exam	83.7%	83.7%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	90%	90%

TEXAS A&M UNIVERSITY - TEXARKANA
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	$ 3,111,118	$ 3,111,118
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 114,217	$ 114,218
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 65,249	$ 73,353
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 18,562	$ 18,562
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 3,712	$ 3,712
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 145,576	$ 145,911
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 21,853	$ 21,853
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 107,342	$ 190,106
Total, Goal A: INSTRUCTION/OPERATIONS	$ 3,587,629	$ 3,678,833
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 1,469,556	$ 1,469,556
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 343,748	$ 347,027
B.1.3. Strategy: LEASE OF FACILITIES	$ 2,396	$ 2,396
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,815,700	$ 1,818,979
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: ACADEMIC PROGRAMS-NURSING & BIOLOGY Academic programs - nursing and biology.	$ 490,000	$ 490,000
C.2.1. Strategy: NE TEXAS EDUCATION PARTNERSHIP Northeast Texas Education Partnership.	$ 87,628	$ 87,628
C.2.2. Strategy: PROGRAM DEVELOPMENT Program development.	$ 1,218,500	$ 1,218,500
C.3.1. Strategy: TRANSITION FUNDING	$ 175,739	$ 175,739
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,084,376	$ 2,084,376
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,056,243	$ 4,056,243
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$ 9,459,572	$ 9,554,055
Method of Financing:		
General Revenue Fund	$ 8,406,870	$ 8,499,013
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	97,560	97,560
Estimated Other Educational and General Income Account No. 770	955,142	957,482
Subtotal, General Revenue Fund - Dedicated	$ 1,052,702	$ 1,055,042
Total, Method of Financing	$ 9,459,572	$ 9,554,055

UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 2,538,729	$ 2,538,730
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	$ 2,538,729	$ 2,538,730
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	74.0	74.0
Number of Full-Time-Equivalent Positions (FTE)-Total	173.4	173.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 1,838,729	$ 1,838,730
B. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
B.1.1. Strategy: NASA PROGRAMS High School Cooperative Education Program with NASA and Technology Outreach Program.	$ 700,000	$ 700,000
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	$ 2,538,729	$ 2,538,730

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $150,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

UNIVERSITY OF HOUSTON

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 181,943,742	$ 182,718,828
Grand Total, UNIVERSITY OF HOUSTON	$ 181,943,742	$ 182,718,828
Method of Financing:		
General Revenue Fund	$ 128,458,393	$ 129,117,622
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,883,694	8,883,694
Estimated Other Educational and General Income Account No. 770	44,601,655	44,717,512
Subtotal, General Revenue Fund - Dedicated	$ 53,485,349	$ 53,601,206
Total, Method of Financing	$ 181,943,742	$ 182,718,828
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3,433.1	3,433.1
Number of Full-Time-Equivalent Positions (FTE)-Total	5,379.0	5,379.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	36%	36.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	82.8%	84.3%
Administrative Cost as a Percent of Total Expenditures	10%	10%
Pass Rate of Education EXCET Exam	89.5%	89.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	37.1%	37.1%
Percent of Lower Division Courses Taught by Tenured Faculty	46.3%	46.3%
State Licensure Pass Rate of Law Graduates	91.7%	91.8%
State Licensure Pass Rate of Engineering Graduates	87.2%	87.5%
State Licensure Pass Rate of Pharmacy Graduates	98.9%	98.9%
Dollar Value of External or Sponsored Research Funds (in Millions)	28.2	29.4
A.1.1. Strategy: OPERATIONS SUPPORT	$ 120,327,858	$ 120,327,858
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 3,823,094	$ 3,823,095
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 3,530,577	$ 3,969,075
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 4,468,832	$ 4,480,231

A.1.5. Strategy: INDIRECT COST RECOVERY	$ 3,336,678	$ 3,336,678
Indirect cost recovery for research related activities.		
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 1,245,000	$ 1,245,000
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING	$ 2,716,529	$ 4,811,060
Capital Equity and Excellence funding.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 139,448,568	$ 141,992,997
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 24,317,729	$ 24,317,729
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,697,914	$ 928,571
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 388,320	$ 388,320
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 27,403,963	$ 25,634,620
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: LEARNING AND COMPUTATION CENTER	$ 2,328,789	$ 2,328,789
C.2.2. Strategy: SPACE EXPLORATION	$ 421,037	$ 421,037
Houston Partnership for Space Exploration.		
C.2.3. Strategy: COMMERCIAL DEVELOPMENT OF SPACE	$ 482,288	$ 482,288
Center for Commercial Development of Space: Space Vacuum Epitaxy Center.		
C.2.4. Strategy: SUPERCONDUCTIVITY CENTER	$ 4,340,000	$ 4,340,000
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT	$ 2,769,500	$ 2,769,500
University of Houston Small Business Development Center.		
C.3.2. Strategy: HEALTH LAW & POLICY INSTITUTE	$ 350,000	$ 350,000
Health Law and Policy Institute.		
C.3.3. Strategy: CENTER FOR PUBLIC POLICY	$ 300,000	$ 300,000
C.3.4. Strategy: PARTNERSHIPS-SUPPORT PUBLIC SCHOOLS	$ 1,647,215	$ 1,647,215
Partnerships to Support Public Schools.		
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,452,382	$ 2,452,382
Total, Goal C: SPECIAL ITEM SUPPORT	$ 15,091,211	$ 15,091,211
Grand Total, UNIVERSITY OF HOUSTON	$ 181,943,742	$ 182,718,828
Method of Financing:		
General Revenue Fund	$ 128,458,393	$ 129,117,622

General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,883,694	8,883,694
Estimated Other Educational and General Income Account No. 770	44,601,655	44,717,512
Subtotal, General Revenue Fund - Dedicated	$ 53,485,349	$ 53,601,206
Total, Method of Financing	$ 181,943,742	$ 182,718,828

2. **Small Business Development Center.** Included in the appropriation above to the University of Houston is $2,269,767 in each year of the biennium for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,539,534 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

UNIVERSITY OF HOUSTON - CLEAR LAKE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 36,120,897	$ 36,271,437
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$ 36,120,897	$ 36,271,437
Method of Financing:		
General Revenue Fund	$ 26,465,330	$ 26,596,001
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,750,937	1,750,937
Estimated Other Educational and General Income Account No. 770	7,904,630	7,924,499
Subtotal, General Revenue Fund - Dedicated	$ 9,655,567	$ 9,675,436
Total, Method of Financing	$ 36,120,897	$ 36,271,437
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	561.5	561.5
Number of Full-Time-Equivalent Positions (FTE)-Total	746.5	754.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	16%	16%
State Pass Rate of Education EXCET Exam	78.7%	78.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55%	53%
Dollar Value of External or Sponsored Research Funds (in Millions)	5	5
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	85.2%	85.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 26,644,034	$ 26,644,034
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 716,810	$ 716,811
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 516,200	$ 580,312
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 870,158	$ 872,013
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 63,322	$ 63,322
A.1.6. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 402,932	$ 713,606
Total, Goal A: INSTRUCTION/OPERATIONS	$ 29,213,456	$ 29,590,098
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 4,005,740	$ 4,005,740
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 226,102	$ 0
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 97,000	$ 97,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,328,842	$ 4,102,740
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: HIGH TECHNOLOGIES LABORATORY	$ 69,229	$ 69,229
C.1.2. Strategy: ENVIRONMENTAL STUDIES PARTNERSHIP Houston Partnership for Environmental Studies.	$ 500,001	$ 500,001
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,009,369	$ 2,009,369
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,578,599	$ 2,578,599
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$ 36,120,897	$ 36,271,437

UNIVERSITY OF HOUSTON - CLEAR LAKE
(Continued)

Method of Financing:		
General Revenue Fund	$ 26,465,330	$ 26,596,001
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,750,937	1,750,937
Estimated Other Educational and General Income Account No. 770	7,904,630	7,924,499
Subtotal, General Revenue Fund - Dedicated	$ 9,655,567	$ 9,675,436
Total, Method of Financing	$ 36,120,897	$ 36,271,437

UNIVERSITY OF HOUSTON - DOWNTOWN

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 29,806,276	$ 30,040,532
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$ 29,806,276	$ 30,040,532
Method of Financing:		
General Revenue Fund	$ 20,584,406	$ 20,800,235
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,100	8,100
Estimated Other Educational and General Income Account No. 770	9,213,770	9,232,197
Subtotal, General Revenue Fund - Dedicated	$ 9,221,870	$ 9,240,297
Total, Method of Financing	$ 29,806,276	$ 30,040,532
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	563.4	563.4
Number of Full-Time-Equivalent Positions (FTE)-Total	758.6	766.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	19.16%	21.56%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69.4%	70.6%
Administrative Cost as a Percent of Total Expenditures	17.6%	17.6%
State Pass Rate of Education EXCET Exam	84.2%	84.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	67.2%	67.2%
Percent of Lower Division Courses Taught by Tenured Faculty	43.05%	44.77%
Dollar Value of External or Sponsored Research Funds (in Millions)	.9	1.03
A.1.1. Strategy: OPERATIONS SUPPORT	$ 16,546,663	$ 16,546,663
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 705,548	$ 705,548
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 593,999	$ 667,774
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,130,585	$ 1,132,895
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 72,362	$ 72,362
A.1.6. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 569,907	$ 1,009,324
Total, Goal A: INSTRUCTION/OPERATIONS	$ 19,619,064	$ 20,134,566
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space.	$ 4,324,883	$ 4,324,883
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,722,129	$ 2,440,883
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 118,800	$ 118,800
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 7,165,812	$ 6,884,566
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: COMMUNITY DEVELOPMENT PROJECT	$ 400,000	$ 400,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,621,400	$ 2,621,400
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,021,400	$ 3,021,400
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$ 29,806,276	$ 30,040,532
Method of Financing:		
General Revenue Fund	$ 20,584,406	$ 20,800,235
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,100	8,100

UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

Estimated Other Educational and General Income Account No. 770	9,213,770	9,232,197
Subtotal, General Revenue Fund - Dedicated	$ 9,221,870	$ 9,240,297
Total, Method of Financing	$ 29,806,276	$ 30,040,532

UNIVERSITY OF HOUSTON - VICTORIA

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 11,546,098	$ 11,667,904
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$ 11,546,098	$ 11,667,904
Method of Financing:		
General Revenue Fund	$ 10,110,078	$ 10,230,933
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	338,747	338,747
Estimated Other Educational and General Income Account No. 770	1,097,273	1,098,224
Subtotal, General Revenue Fund - Dedicated	$ 1,436,020	$ 1,436,971
Total, Method of Financing	$ 11,546,098	$ 11,667,904
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	169.5	169.5
Number of Full-Time-Equivalent Positions (FTE)-Total	196.5	197.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	13.2%	13.2%
State Pass Rate of Education EXCET Exam	78.4%	78.4%
Retention Rate of First-time, Full-time, Degree-seeking Other Transfer Students after One Academic Year (Upper-level Institutions Only)	90.4%	90.4%

UNIVERSITY OF HOUSTON - VICTORIA
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	$ 5,190,036	$ 5,190,036
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 160,235	$ 160,235
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 94,616	$ 106,367
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 226,087	$ 226,245
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 3,512	$ 3,512
A.1.6. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 173,417	$ 307,128
Total, Goal A: INSTRUCTION/OPERATIONS	$ 5,847,903	$ 5,993,523
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 1,858,823	$ 1,858,823
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,506,218	$ 1,482,404
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 23,780	$ 23,780
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 3,388,821	$ 3,365,007
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: REGIONAL OUTREACH CENTER Center for Regional Outreach.	$ 300,000	$ 300,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,009,374	$ 2,009,374
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,309,374	$ 2,309,374
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$ 11,546,098	$ 11,667,904
Method of Financing:		
General Revenue Fund	$ 10,110,078	$ 10,230,933
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	338,747	338,747
Estimated Other Educational and General Income Account No. 770	1,097,273	1,098,224
Subtotal, General Revenue Fund - Dedicated	$ 1,436,020	$ 1,436,971
Total, Method of Financing	$ 11,546,098	$ 11,667,904

MIDWESTERN STATE UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 23,972,949	$ 24,148,850
Grand Total, MIDWESTERN STATE UNIVERSITY	$ 23,972,949	$ 24,148,850
Method of Financing:		
General Revenue Fund	$ 17,545,197	$ 17,714,674
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	93,229	93,229
Estimated Other Educational and General Income Account No. 770	6,334,523	6,340,947
Subtotal, General Revenue Fund - Dedicated	$ 6,427,752	$ 6,434,176
Total, Method of Financing	$ 23,972,949	$ 24,148,850
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	518.0	518.0
Number of Full-Time-Equivalent Positions (FTE)-Total	666.0	667.0
Supplemental Appropriations Made in Riders:	$ 10,000	$ 3,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	32%	33%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.1%	74.5%
Administrative Cost as a Percent of Total Expenditures	9.2%	9.2%
State Pass Rate of Education EXCET Exam	93.2%	93.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	35%	35%
Percent of Lower Division Courses Taught by Tenured Faculty	60.1%	61%
State Licensure Pass Rate of Nursing Graduates	87.45%	87.6%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 14,354,696	$ 14,354,696
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 650,665	$ 650,666
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 417,105	$ 468,909
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 874,090	$ 874,981
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 25,601	$ 25,601

A.1.6. Strategy: FORMULA HOLD HARMLESS	$ 569,396	$ 569,396
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 314,459	$ 556,916
Total, Goal A: INSTRUCTION/OPERATIONS	$ 17,206,012	$ 17,501,165
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 3,454,253	$ 3,454,253
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 698,200	$ 698,948
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,152,453	$ 4,153,201
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 100,000	$ 100,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,514,484	$ 2,394,484
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,614,484	$ 2,494,484
Grand Total, MIDWESTERN STATE UNIVERSITY	$ 23,972,949	$ 24,148,850
Method of Financing:		
General Revenue Fund	$ 17,545,197	$ 17,714,674
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	93,229	93,229
Estimated Other Educational and General Income Account No. 770	6,334,523	6,340,947
Subtotal, General Revenue Fund - Dedicated	$ 6,427,752	$ 6,434,176
Total, Method of Financing	$ 23,972,949	$ 24,148,850

2. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2001 (estimated to be $7,000), in the Midwestern State University Special Mineral Fund No. 412 and any income during the biennium beginning September 1, 2001, deposited to that fund are hereby appropriated to Midwestern State University for the general operations of the university. Mineral Funds estimated to be $3,000 in 2002 and $3,000 in 2003.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Small Business Development Center.** Included in the appropriation above to Midwestern State University is $100,000 in fiscal year 2002 and $100,000 in fiscal year 2003 for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $200,000 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 100,000	$ 100,000
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	$ 100,000	$ 100,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 100,000	$ 100,000
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	$ 100,000	$ 100,000

UNIVERSITY OF NORTH TEXAS

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 127,133,664	$ 129,056,435
Grand Total, UNIVERSITY OF NORTH TEXAS	$ 127,133,664	$ 129,056,435
Method of Financing:		
General Revenue Fund	$ 91,966,237	$ 93,837,308
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,053,649	2,053,649
Estimated Other Educational and General Income Account No. 770	33,113,778	33,165,478
Subtotal, General Revenue Fund - Dedicated	$ 35,167,427	$ 35,219,127
Total, Method of Financing	$ 127,133,664	$ 129,056,435
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	2,706.7	2,706.7
Number of Full-Time-Equivalent Positions (FTE)-Total	3,988.8	4,016.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	42%	43%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	78.5%	79.9%
Administrative Cost as a Percent of Total Expenditures	8.1%	8.1%
State Pass Rate of Education EXCET Exam	92.5%	92.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	53.5%	53.5%
Percent of Lower Division Courses Taught by Tenured Faculty	50%	52%
Dollar Value of External or Sponsored Research Funds (in Millions)	12	13
A.1.1. Strategy: OPERATIONS SUPPORT	$ 85,775,662	$ 85,775,662
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,970,887	$ 2,970,888
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,668,802	$ 3,000,267
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 4,031,379	$ 4,037,793
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 691,403	$ 691,403

A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 295,210	$ 295,210
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 1,883,959	$ 3,336,550
Total, Goal A: INSTRUCTION/OPERATIONS	$ 98,317,302	$ 100,107,773
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 18,051,922	$ 18,051,922
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 3,518,468	$ 3,500,768
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 348,705	$ 348,705
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 21,919,095	$ 21,901,395
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: TEXAS ACADEMY OF MATH AND SCIENCE	$ 1,757,394	$ 1,757,394
C.1.2. Strategy: NORTH TEXAS AREA UNIVERSITIES Federation of North Texas Area Universities.	$ 693,712	$ 693,712
C.1.3. Strategy: UNT SYSTEM CENTER AT DALLAS University of North Texas System Center at Dallas.	$ 3,150,000	$ 3,300,000
C.2.1. Strategy: INSTITUTE OF APPLIED SCIENCES	$ 72,294	$ 72,294
C.3.1. Strategy: EMERGENCY MANAGEMENT CENTER Center for Studies in Emergency Management.	$ 58,058	$ 58,058
C.3.2. Strategy: CENTER FOR VOLUNTEERISM Educational Center for Volunteerism.	$ 100,000	$ 100,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,065,809	$ 1,065,809
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,897,267	$ 7,047,267
Grand Total, UNIVERSITY OF NORTH TEXAS	$ 127,133,664	$ 129,056,435
Method of Financing:		
General Revenue Fund	$ 91,966,237	$ 93,837,308
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,053,649	2,053,649
Estimated Other Educational and General Income Account No. 770	33,113,778	33,165,478
Subtotal, General Revenue Fund - Dedicated	$ 35,167,427	$ 35,219,127
Total, Method of Financing	$ 127,133,664	$ 129,056,435

2. **Academic or Policy Research Program.** The Board of Regents of the University of North Texas is hereby authorized to use available funds or to enter into contracts, accept grants or matching grants for the purpose of establishing an academic or policy research program in conjunction with the Federal Emergency Management Agency (FEMA).

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $53,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Texas Academy of Mathematics and Science.** Notwithstanding any other provision of this Act, the University of North Texas may not transfer money appropriated under Strategy C.1.1, for the purpose of funding the Texas Academy of Mathematics and Science, to another purpose.

5. **Federation of North Texas Area Universities.** The Comptroller of Public Accounts shall pay all warrants drawn on the identified strategy of the Federation of North Texas Area Universities for expenses incurred on federation business regardless of which member institution of the federation the payee is an employee.

STEPHEN F. AUSTIN STATE UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 52,296,511	$ 52,961,232
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$ 52,296,511	$ 52,961,232
Method of Financing:		
General Revenue Fund	$ 39,059,318	$ 39,721,515
GR Dedicated - Estimated Other Educational and General Income Account No. 770	13,237,193	13,239,717
Total, Method of Financing	$ 52,296,511	$ 52,961,232
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,165.9	1,165.9

Number of Full-Time-Equivalent Positions (FTE)-Total	1,605.5	1,605.5
Supplemental Appropriations Made in Riders:	$ 2,000	$ 0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	36.3%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68.2%	69.4%
Administrative Cost as a Percent of Total Expenditures	9.3%	9.3%
State Pass Rate of Education EXCET Exam	77.5%	77.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	45%	45%
Percent of Lower Division Courses Taught by Tenured Faculty	58%	58%
State Licensure Pass Rate of Nursing Graduates	95%	95%
Dollar Value of External or Sponsored Research Funds (in Millions)	3.1	3.2
A.1.1. Strategy: OPERATIONS SUPPORT	$ 32,305,292	$ 32,305,292
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,436,131	$ 1,436,132
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,089,293	$ 1,224,583
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,886,609	$ 1,886,995
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 162,397	$ 162,397
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 437,118	$ 437,118
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 2,227,163	$ 2,227,163
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 693,549	$ 1,228,297
Total, Goal A: INSTRUCTION/OPERATIONS	$ 40,237,552	$ 40,907,977
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 7,239,024	$ 7,239,024
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT Tuition Revenue Bond retirementt.	$ 466,561	$ 465,664
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 154,870	$ 154,870
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 7,860,455	$ 7,859,558

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.2.1. Strategy: APPLIED FORESTRY STUDIES CENTER	$ 846,406	$ 846,405
Center for Applied Studies in Forestry.		
C.3.1. Strategy: STONE FORT MUSEUM & RESEARCH CENTER	$ 163,239	$ 161,333
Stone Fort Museum and Research Center of East Texas.		
C.3.2. Strategy: SOIL PLANT & WATER ANALYSIS LAB	$ 93,119	$ 92,031
Soil Plant and Water Analysis Laboratory.		
C.3.3. Strategy: APPLIED POULTRY STUDIES & RESEARCH	$ 87,821	$ 86,795
Applied Poultry Studies and Research.		
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,007,919	$ 3,007,133
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,198,504	$ 4,193,697
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$ 52,296,511	$ 52,961,232
Method of Financing:		
General Revenue Fund	$ 39,059,318	$ 39,721,515
GR Dedicated - Estimated Other Educational and General Income Account No. 770	13,237,193	13,239,717
Total, Method of Financing	$ 52,296,511	$ 52,961,232

2. **Appropriation of Special Mineral Fund.** Any unexpended balances as of August 31, 2001 (estimated to be $2,000), and income during the biennium beginning September 1, 2001, in the Stephen F. Austin University Special Mineral Fund No. 241 are hereby appropriated to Stephen F. Austin State University to support the instructional and research programs of the university.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Recruitment and Enrollment of Students from East Texas.** Stephen F. Austin State University shall provide a report detailing recruiting activities in the East Texas region to the Governor and Legislature no later than December 31, 2002. The report shall include recruiting activities in the following counties: Cherokee, Rusk, Panola, Shelby, Nacogdoches, San Augustine, Sabine, Newton, Jasper, Tyler, Polk, Angelina, Trinity and Houston. In addition, Stephen F. Austin State University beginning with the annual performance report

for fiscal year 2002, shall report the percent of enrolled students from those same counties. The Legislative Budget Board, in consultation with representatives from Stephen F. Austin State University, Governor's Office, and State Auditor's Office, shall develop a standard definition for the measure.

TEXAS SOUTHERN UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 56,679,653	$ 57,242,589
Grand Total, TEXAS SOUTHERN UNIVERSITY	$ 56,679,653	$ 57,242,589
Method of Financing:		
General Revenue Fund	$ 44,019,397	$ 44,561,452
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,285,741	1,285,741
Estimated Other Educational and General Income Account No. 770	11,374,515	11,395,396
Subtotal, General Revenue Fund - Dedicated	$ 12,660,256	$ 12,681,137
Total, Method of Financing	$ 56,679,653	$ 57,242,589
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	706.0	706.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,011.0	1,011.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	13%	14%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	66%
Administrative Cost as a Percent of Total Expenditures	11.7%	11.7%
State Pass Rate of Education EXCET Exam	23.1%	23.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	43%	42%
Percent of Lower Division Courses Taught by Tenured Faculty	47.7%	47.7%
State Licensure Pass Rate of Law Graduates	81.6%	81.6%

State Licensure Pass Rate of Pharmacy Graduates	86%	86%
Dollar Value of External or Sponsored Research Funds (in Millions)	10	10
A.1.1. Strategy: OPERATIONS SUPPORT	$ 24,315,303	$ 24,315,303
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 862,771	$ 862,772
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 524,648	$ 589,809
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,329,587	$ 1,331,941
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 485,000	$ 485,000
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 74,425	$ 74,425
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 492,994	$ 492,994
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 647,228	$ 1,146,260
Total, Goal A: INSTRUCTION/OPERATIONS	$ 28,731,956	$ 29,298,504
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 6,997,374	$ 6,997,374
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,414,692	$ 1,411,079
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 69,985	$ 69,985
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 8,482,051	$ 8,478,438
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: THURGOOD MARSHALL SCHOOL OF LAW	$ 553,819	$ 553,819
C.1.2. Strategy: ACCREDITATION - BUSINESS Accreditation continuation - business.	$ 82,464	$ 82,464
C.1.3. Strategy: ACCREDITATION - PHARMACY Accreditation continuation - pharmacy.	$ 83,176	$ 83,176
C.1.4. Strategy: ACCREDITATION - EDUCATION Accreditation continuation - education.	$ 104,200	$ 104,200
C.3.1. Strategy: MICKEY LELAND CENTER Mickey Leland Center on World Hunger and Peace.	$ 80,582	$ 80,582
C.3.2. Strategy: COMMUNITY REDEVELOPMENT PROJECT	$ 100,000	$ 100,000
C.3.3. Strategy: TEXAS SUMMER ACADEMY	$ 500,000	$ 500,000
C.4.1. Strategy: MIS/FISCAL OPERATIONS Integrated plan to improve Management Information Services and fiscal operations.	$ 164,890	$ 164,890
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$ 5,296,515	$ 5,296,516
Total, Goal C: SPECIAL ITEM SUPPORT	$ 6,965,646	$ 6,965,647

D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN Texas commitment - OCR Priority Plan.		
D.1.1. Strategy: OCR PRIORITY PLAN	$ 12,500,000	$ 12,500,000 & UB
Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.		
Grand Total, TEXAS SOUTHERN UNIVERSITY	$ 56,679,653	$ 57,242,589
Method of Financing:		
General Revenue Fund	$ 44,019,397	$ 44,561,452
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,285,741	1,285,741
Estimated Other Educational and General Income Account No. 770	11,374,515	11,395,396
Subtotal, General Revenue Fund - Dedicated	$ 12,660,256	$ 12,681,137
Total, Method of Financing	$ 56,679,653	$ 57,242,589

2. **Program Enhancements for Texas Southern University.** It is the intent of the Legislature that for Thurgood Marshall School of Law, Accreditation Continuation-Business, Accreditation Continuation-Pharmacy, Accreditation Continuation-Education, Texas Southern University shall, prior to September 1, 2001, submit to the Texas Higher Education Coordinating Board and the Legislative Budget Board a detailed plan for the use of these funds in order to maintain or achieve accreditation for the specified program or department.

3. **Thurgood Marshall School of Law.** In addition to general revenue funds identified above for the operation and maintenance of the Thurgood Marshall School of Law, all tuition and fee revenues generated through enrollment in the School of Law, including Texas Public Education Grants and Emergency Loans under VTCA, Education Code, Chapter 56 (Student Financial Aid Assistance), shall be allocated for use by the School of Law and may only be expended for purposes related to the operation and maintenance of the School of Law and its students.

4. **Appropriation, Governing Board.** Out of funds appropriated herein, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

5. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

OCR Priority Plan Items		in millions 2002	2003
1.	Meet State Auditor's Office Requirements	$1.05	$1.05
2.	Academic Planning	$0.10	$0.10
3.	Development Office	$0.70	$0.70
4.	Facilities Planning	$0.15	$0.15
5.	Information Technology	$1.15	$1.15
6.	Human Resources	$0.70	$0.70
7.	Student Enrollment	$0.25	$0.25
8.	Summer and First Year Student Support Program	$1.00	$1.00
9.	Basic Skills Program	$0.45	$0.45
10.	Honors and Institutional Scholarships	$1.15	$1.15
11.	Enhance Law, Pharmacy, Business and Educator Preparation Programs	$1.55	$1.55
12.	MA/PhD Urban Planning and Environmental Policy	$0.50	$0.50
13.	MS Health Care Administration	$0.50	$0.50
14.	MA Social Work	$0.25	$0.25
15.	Four Endowed Chairs	$1.00	$1.00
16.	Re-establish School of Public Affairs	$1.00	$1.00
17.	Child Care Center	$1.00	$1.00
	Total	$12.50	$12.50 & UB

6. **OCR Priority Plan Reporting Requirements.** Texas Southern University shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board to establish a detailed plan to accomplish the goal and create benchmarks and performance measures to be adopted in accordance with the OCR Priority Plan for the above items by September 1, 2001, and shall report them semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. It is legislative intent that any funds not spent during the 2002–03 biennium shall be transferred to the 2004–05 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

7. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 500,000	$ 500,000
Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	$ 500,000	$ 500,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 500,000	$ 500,000
Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	$ 500,000	$ 500,000

TEXAS TECH UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 146,559,547	$ 147,406,765
Grand Total, TEXAS TECH UNIVERSITY	$ 146,559,547	$ 147,406,765
Method of Financing:		
General Revenue Fund	$ 107,970,101	$ 108,780,101
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,803,378	3,803,378
Estimated Other Educational and General Income Account No. 770	34,786,068	34,823,286
Subtotal, General Revenue Fund - Dedicated	$ 38,589,446	$ 38,626,664
Total, Method of Financing	$ 146,559,547	$ 147,406,765
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3,240.0	3,240.0

Number of Full-Time-Equivalent Positions (FTE)-Total		5,298.1		5,298.1
Supplemental Appropriations Made in Riders:	$	219,000	$	20,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		48%		48%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		86.6%		88.1%
Administrative Cost as a Percent of Total Expenditures		11%		11%
State Pass Rate of Education EXCET Exam		76.4%		76.4%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		17.1%		17.1%
Percent of Lower Division Courses Taught by Tenured Faculty		34%		34%
State Licensure Pass Rate of Law Graduates		90.5%		90.5%
State Licensure Pass Rate of Engineering Graduates		89.6%		89.6%
Dollar Value of External or Sponsored Research Funds (in Millions)		27.6		29
A.1.1. Strategy: OPERATIONS SUPPORT	$	87,646,141	$	87,646,141
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	3,067,556	$	3,067,557
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	3,608,498	$	4,056,674
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	3,971,790	$	3,976,631
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	2,386,966	$	2,386,966
A.1.6. Strategy: ORGANIZED ACTIVITIES	$	207,088	$	207,088
A.1.7. Strategy: FORMULA HOLD HARMLESS	$	1,618,757	$	1,618,757
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$	2,191,263	$	3,880,797
Total, Goal A: INSTRUCTION/OPERATIONS	$	104,698,059	$	106,840,611
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	20,502,952	$	20,502,952
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	4,982,463	$	4,887,129
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	317,225	$	317,225
Total, Goal B: INFRASTRUCTURE SUPPORT	$	25,802,640	$	25,707,306
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: LIBRARY ARCHIVAL SUPPORT	$	500,000	$	500,000

C.1.2. Strategy: MASTER'S OF SOCIAL WORK Master's of Social Work Program.	$ 50,000	$ 50,000
C.2.1. Strategy: AGRICULTURAL RESEARCH Research to enhance agricultural production and add value to agricultural products in Texas.	$ 2,283,883	$ 2,283,883
C.2.2. Strategy: ENERGY RESEARCH Research in energy production and environmental protection in Texas.	$ 967,789	$ 967,789
C.2.3. Strategy: EMERGING TECHNOLOGIES RESEARCH Research in emerging technologies and economic development in Texas.	$ 545,152	$ 545,152
C.3.1. Strategy: JUNCTION ANNEX OPERATION	$ 362,592	$ 362,592
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT Small Business Development Center.	$ 950,000	$ 950,000
C.3.3. Strategy: MUSEUMS & CENTERS Museums and historical, cultural, and educational centers.	$ 2,287,634	$ 2,087,634
C.3.4. Strategy: INTERNATIONAL TRADE CENTER	$ 600,000	$ 600,000
C.3.5. Strategy: CENTER FOR FINANCIAL RESPONSIBILITY	$ 240,000	$ 240,000
C.3.6. Strategy: MITC - FREDERICKSBURG	$ 500,000	$ 500,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 5,771,798	$ 5,771,798
C.4.2. Strategy: TRB DEBT SERVICE ADJUSTMENT	$ 1,000,000	$ 0
Total, Goal C: SPECIAL ITEM SUPPORT	$ 16,058,848	$ 14,858,848
Grand Total, TEXAS TECH UNIVERSITY	$ 146,559,547	$ 147,406,765
Method of Financing:		
General Revenue Fund	$ 107,970,101	$ 108,780,101
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,803,378	3,803,378
Estimated Other Educational and General Income Account No. 770	34,786,068	34,823,286
Subtotal, General Revenue Fund - Dedicated	$ 38,589,446	$ 38,626,664
Total, Method of Financing	$ 146,559,547	$ 147,406,765

2. **Appropriation of Special Mineral Fund.** Any unexpended balances as of August 31, 2001 (estimated to be $199,000), and income during the biennium beginning September 1, 2001, in the Texas Tech University Special Mineral Fund are hereby appropriated at Texas Tech University to support instruction and research programs of the University. Mineral Funds estimated to be $20,000 in 2002 and $20,000 in 2003.

3. **Small Business Development Center.** Included in the appropriation above to Texas Tech University is $642,009 in fiscal year 2002 and $642,010 in fiscal year 2003 for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of

Public Accounts that increased activity by the Small Business Development Center will generate at least $1,284,019 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

4. **Texas Tech University Museum.** Out of funds identified above for the Museums and Historical, Cultural and Educational Centers, $533,565 in fiscal year 2002 and $433,565 in fiscal year 2003 shall be allocated to the Ranching Heritage Center, and $266,859 in each fiscal year shall be allocated to the Lubbock Lake Landmark.

5. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $125,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

6. **Cooperative Biological Research Database.** Out of the funds appropriated above, the sum of $221,126 per year is for the establishment of a biological research database in cooperation with the Texas Parks and Wildlife Department and the Texas Cooperative Fish and Wildlife Research Unit. The Texas Parks and Wildlife Department and the Texas Cooperative Fish and Wildlife Research Unit shall provide matching funds to establish and fund the database.

7. **Feed Institute.** The University shall out of funds appropriated above, provide $150,000 in fiscal year 2002 and $150,000 in fiscal year 2003 for the Feed Institute.

8. **International Trade Center.** Included in the appropriation above to Texas Tech University is $100,000 in fiscal year 2002 and $100,000 in fiscal year 2003 for the International Trade Center, or its equivalent due to special and general provisions for this Act. contingent upon certification by the Comptroller of Public Accounts that increased activity by the International Trade Center will generate at least $200,000 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the International Trade Center be used by the center to attract federal funds on a dollar-for-dollar basis.

TEXAS WOMAN'S UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 56,718,872	$ 57,379,289
Grand Total, TEXAS WOMAN'S UNIVERSITY	$ 56,718,872	$ 57,379,289
Method of Financing:		
General Revenue Fund	$ 46,731,432	$ 47,380,127
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,293,480	1,293,480
Estimated Other Educational and General Income Account No. 770	8,693,960	8,705,682
Subtotal, General Revenue Fund - Dedicated	$ 9,987,440	$ 9,999,162
Total, Method of Financing	$ 56,718,872	$ 57,379,289
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,195.2	1,195.2
Number of Full-Time-Equivalent Positions (FTE)-Total	1,502.7	1,502.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	38.7%	38.7%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	85.2%	86.8%
Administrative Cost as a Percent of Total Expenditures	12.6%	12.6%
State Pass Rate of Education EXCET Exam	54.1%	54.6%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	60%	60%
Percent of Lower Division Courses Taught by Tenured Faculty	42%	42.5%
State Licensure Pass Rate of Nursing Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (in Millions)	1.9	1.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 39,025,047	$ 39,025,047
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT Teaching experience supplement.	$ 1,071,996	$ 1,071,996
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 690,048	$ 775,752
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,221,996	$ 1,223,615
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 191,569	$ 191,569
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 28,375	$ 28,375

A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 2,669,232	$ 2,669,232
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 729,404	$ 1,291,798
Total, Goal A: INSTRUCTION/OPERATIONS	$ 45,627,667	$ 46,277,384
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 5,807,975	$ 5,807,975
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,275,455	$ 1,286,155
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 99,828	$ 99,828
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 7,183,258	$ 7,193,958
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: LIBRARY ASSESSMENT Texas Medical Center Library assessment.	$ 200,344	$ 200,344
C.2.1. Strategy: NUTRITION RESEARCH PROGRAM Human Nutrition Research Development Program.	$ 88,602	$ 88,602
C.2.2. Strategy: WOMEN'S HEALTH RESEARCH CENTER Center for Research on Women's Health.	$ 675,000	$ 675,000
C.3.1. Strategy: READING RECOVERY	$ 458,169	$ 458,169
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,485,832	$ 2,485,832
Total, Goal C: SPECIAL ITEM SUPPORT	$ 3,907,947	$ 3,907,947
Grand Total, TEXAS WOMAN'S UNIVERSITY	$ 56,718,872	$ 57,379,289
Method of Financing:		
General Revenue Fund	$ 46,731,432	$ 47,380,127
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,293,480	1,293,480
Estimated Other Educational and General Income Account No. 770	8,693,960	8,705,682
Subtotal, General Revenue Fund - Dedicated	$ 9,987,440	$ 9,999,162
Total, Method of Financing	$ 56,718,872	$ 57,379,289

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $35,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 1,337,513	$ 1,337,512
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	$ 1,337,513	$ 1,337,512
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	10.6	10.6
Number of Full-Time-Equivalent Positions (FTE)-Total	10.6	10.6
Supplemental Appropriations Made in Riders:	$ 120,000	$ 120,000

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 1,337,513	$ 1,337,512
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	$ 1,337,513	$ 1,337,512

2. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $85,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific

amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Audit of Base Period Contact Hours.** The hours used in the contact hour base period to fund the Lamar State Colleges are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and the public community and junior colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total amount appropriated to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total amount appropriated to the institution for the biennium.

4. **Transferability.** The Board of Regents of the Texas State University System is authorized to transfer and utilize funds appropriated to Sul Ross State University and Sul Ross State University-Rio Grande College between the campuses if necessary to accomplish the capital improvement goals of the University.

5. **Appropriation of Special Mineral Funds.** Any unexpended balance as of August 31, 2001, and income during the biennium beginning September 1, 2001, in the Texas State University System Special Mineral Fund are hereby appropriated to the Board of Regents of the Texas State University System to be disbursed for the purposes provided for and in accordance with the provisions of VTCA Education Code, § 95.36. Mineral Funds are estimated to be $120,000 in 2002 and $120,000 in 2003.

ANGELO STATE UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 31,553,250	$ 31,966,945
Grand Total, ANGELO STATE UNIVERSITY	$ 31,553,250	$ 31,966,945
Method of Financing:		
General Revenue Fund	$ 24,579,084	$ 24,991,665
* GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
* GR Dedicated - Estimated Other Educational and General Income Account No. 770	6,974,166	6,975,280
Total, Method of Financing	$ 31,553,250	$ 31,966,945

*Corrected Method of Financing.

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	550.7	550.7
Number of Full-Time-Equivalent Positions (FTE)-Total	756.6	760.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68%	69%
Administrative Cost as a Percent of Total Expenditures	9.64	9.64
State Pass Rate of Education EXCET Exam	78.3%	78.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	51.7%	51.7%
Percent of Lower Division Courses Taught by Tenured Faculty	60%	60%
State Licensure Pass Rate of Nursing Graduates	92%	92%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 16,134,699	$ 16,134,699
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 772,873	$ 772,873
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 385,159	$ 432,996
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,015,137	$ 1,015,310
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 7,966	$ 7,966
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 169,118	$ 169,118
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 70,810	$ 70,810
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 406,350	$ 719,660
Total, Goal A: INSTRUCTION/OPERATIONS	$ 18,962,112	$ 19,323,432
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 3,886,907	$ 3,886,907
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,934,556	$ 2,914,879
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 69,000	$ 69,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 6,890,463	$ 6,870,786
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SCHOOL-BASED CLINICS	$ 56,000	$ 56,000
C.1.2. Strategy: CENTER FOR ACADEMIC EXCELLENCE	$ 500,000	$ 500,000
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 87,870	$ 87,870

ANGELO STATE UNIVERSITY
(Continued)

	C.2.2. Strategy: CENTER FOR FINE ARTS	$ 162,500	$ 162,500
	C.2.3. Strategy: MGT/INSTRUCTION/RESEARCH CENTER Management, Instruction, and Research Center.	$ 295,715	$ 295,715
	C.2.4. Strategy: WEST TEXAS TRAINING CENTER	$ 925,000	$ 925,000
	C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,673,590	$ 3,745,642
	Total, Goal C: SPECIAL ITEM SUPPORT	$ 5,700,675	$ 5,772,727
	Grand Total, ANGELO STATE UNIVERSITY	$ 31,553,250	$ 31,966,945
	Method of Financing:		
	General Revenue Fund	$ 24,579,084	$ 24,991,665
*	GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
*	GR Dedicated - Estimated Other Educational and General Income Account No. 770	6,974,166	6,975,280
	Total, Method of Financing	$ 31,553,250	$ 31,966,945

LAMAR UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 38,571,776	$ 39,138,957
Grand Total, LAMAR UNIVERSITY	$ 38,571,776	$ 39,138,957
Method of Financing:		
General Revenue Fund	$ 29,628,764	$ 30,188,031
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	8,943,012	8,950,926
Total, Method of Financing	$ 38,571,776	$ 39,138,957
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	867.0	867.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,125.0	1,125.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

*Corrected Method of Financing.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		23.5%		24%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		69.3%		70.5%
Administrative Cost as a Percent of Total Expenditures		11.6%		11.6%
State Pass Rate of Education EXCET Exam		79.2%		79.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		40.9%		41%
Percent of Lower Division Courses Taught by Tenured Faculty		63.7%		63.7%
State Licensure Pass Rate of Engineering Graduates		95%		95%
State Licensure Pass Rate of Nursing Graduates		92.7%		92.7%
Dollar Value of External or Sponsored Research Funds (in Millions)		1.5		1.5
A.1.1. Strategy: OPERATIONS SUPPORT	$	23,774,362	$	23,774,362
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,040,335	$	1,040,336
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	817,920	$	919,506
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,240,779	$	1,241,914
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	163,161	$	163,161
A.1.6. Strategy: FORMULA HOLD HARMLESS	$	579,166	$	579,166
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$	599,857	$	1,062,366
Total, Goal A: INSTRUCTION/OPERATIONS	$	28,215,580	$	28,780,811
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	5,047,457	$	5,047,457
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	657,588	$	659,538
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	105,430	$	105,430
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,810,475	$	5,812,425
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: ACADEMY IN HUMANITIES LEADERSHIP Texas Academy of Leadership in the Humanities.	$	343,079	$	343,079
C.2.1. Strategy: HAZARDOUS SUBSTANCE RESEARCH CENTER Gulf Coast Hazardous Substance Research Center.	$	483,497	$	483,497
C.2.2. Strategy: AIR QUALITY INITIATIVE Air Quality Initiative: Texas Hazardous Waste Research Center.	$	700,000	$	700,000
C.3.1. Strategy: SPINDLETOP MUSEUM EDUC'AL ACTIVITY Spindletop Museum educational activities.	$	32,867	$	32,867

C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 106,063	$ 106,063
C.3.3. Strategy: COMMUNITY OUTREACH EXPANSION Public service/community outreach expansion.	$ 87,749	$ 87,749
C.3.4. Strategy: SPINDLETOP TEACHING CENTER Spindletop Center for Excellence in Teaching Technology.	$ 150,000	$ 150,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,642,466	$ 2,642,466
Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,545,721	$ 4,545,721
Grand Total, LAMAR UNIVERSITY	$ 38,571,776	$ 39,138,957
Method of Financing:		
General Revenue Fund	$ 29,628,764	$ 30,188,031
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	8,943,012	8,950,926
Total, Method of Financing	$ 38,571,776	$ 39,138,957

2. **Small Business Development Center.** Included in the appropriation above to Lamar University - Beaumont is $106,063 in each year of the biennium for the Small Business Development Center, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $212,126 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

LAMAR INSTITUTE OF TECHNOLOGY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 10,679,169	$ 10,660,471
Grand Total, LAMAR INSTITUTE OF TECHNOLOGY	$ 10,679,169	$ 10,660,471
Method of Financing:		
General Revenue Fund	$ 8,699,684	$ 8,679,724
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,979,485	1,980,747
Total, Method of Financing	$ 10,679,169	$ 10,660,471

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	141.1	141.1
Number of Full-Time-Equivalent Positions (FTE)-Total	148.6	148.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percentage of Courses Completed	91	91
Administrative Cost as a Percent of Total Expenditures	13.7%	13.7%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 879,333	$ 879,335
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,977,889	$ 5,966,050
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 111,954	$ 125,858
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 284,131	$ 284,315
Total, Goal A: INSTRUCTION/OPERATIONS	$ 7,253,307	$ 7,255,558
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 1,600,605	$ 1,600,605
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 167,013	$ 163,638
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 22,000	$ 22,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,789,618	$ 1,786,243
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: WORKFORCE LITERACY	$ 39,541	$ 39,541
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,596,703	$ 1,579,129
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,636,244	$ 1,618,670
Grand Total, LAMAR INSTITUTE OF TECHNOLOGY	$ 10,679,169	$ 10,660,471
Method of Financing:		
General Revenue Fund	$ 8,699,684	$ 8,679,724
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,979,485	1,980,747
Total, Method of Financing	$ 10,679,169	$ 10,660,471

LAMAR STATE COLLEGE - ORANGE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 7,696,247	$ 7,701,797
Grand Total, LAMAR STATE COLLEGE - ORANGE	$ 7,696,247	$ 7,701,797
Method of Financing:		
General Revenue Fund	$ 6,188,265	$ 6,192,694
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,507,982	1,509,103
Total, Method of Financing	$ 7,696,247	$ 7,701,797
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	127.9	127.9
Number of Full-Time-Equivalent Positions (FTE)-Total	182.9	182.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Courses Completed	84%	85%
Administrative Cost as a Percent of Total Expenditures	13%	13%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 2,983,999	$ 2,982,216
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,274,343	$ 1,274,343
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 22,157	$ 24,909
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 269,805	$ 270,011
A.1.5. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING	$ 77,781	$ 77,781
Capital Equity and Excellence funding.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,628,085	$ 4,629,260
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 1,160,971	$ 1,160,971
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 285,994	$ 290,369
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 21,210	$ 21,210
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,468,175	$ 1,472,550

LAMAR STATE COLLEGE - ORANGE
(Continued)

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,599,987	$ 1,599,987
Grand Total, LAMAR STATE COLLEGE - ORANGE	$ 7,696,247	$ 7,701,797
Method of Financing:		
General Revenue Fund	$ 6,188,265	$ 6,192,694
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,507,982	1,509,103
Total, Method of Financing	$ 7,696,247	$ 7,701,797

LAMAR STATE COLLEGE - PORT ARTHUR

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 10,641,800	$ 10,645,547
Grand Total, LAMAR STATE COLLEGE - PORT ARTHUR	$ 10,641,800	$ 10,645,547
Method of Financing:		
General Revenue Fund	$ 8,794,372	$ 8,797,033
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,847,428	1,848,514
Total, Method of Financing	$ 10,641,800	$ 10,645,547
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	230.0	230.0
Number of Full-Time-Equivalent Positions (FTE)-Total	256.3	260.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Courses Completed	93%	93%
Administrative Cost as a Percent of Total Expenditures	16.7%	16.7%

LAMAR STATE COLLEGE - PORT ARTHUR
(Continued)

A.1.1. Strategy: ACADEMIC EDUCATION	$ 3,220,037	$ 3,194,536
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,896,144	$ 2,896,144
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 229,172	$ 257,635
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 501,272	$ 501,557
A.1.5. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 244,143	$ 244,143
Total, Goal A: INSTRUCTION/OPERATIONS	$ 7,090,768	$ 7,094,015
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 1,556,424	$ 1,556,424
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 226,469	$ 226,969
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 28,000	$ 28,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,810,893	$ 1,811,393
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 150,000	$ 150,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,590,139	$ 1,590,139
Total, Goal C: SPECIAL ITEM SUPPORT	$ 1,740,139	$ 1,740,139
Grand Total, LAMAR STATE COLLEGE - PORT ARTHUR	$ 10,641,800	$ 10,645,547
Method of Financing:		
General Revenue Fund	$ 8,794,372	$ 8,797,033
GR - Dedicated - Estimated Other Educational and General Income Account No. 770	1,847,428	1,848,514
Total, Method of Financing	$ 10,641,800	$ 10,645,547

SAM HOUSTON STATE UNIVERSITY*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 54,864,331	$ 55,365,977
Grand Total, SAM HOUSTON STATE UNIVERSITY	$ 54,864,331	$ 55,365,977

*See also House Bill 2914.

Method of Financing:		
General Revenue Fund	$ 37,359,988	$ 37,746,518
General Revenue Fund - Dedicated		
Law Enforcement Management Institute Account No. 581	3,708,000	3,819,000
Estimated Other Educational and General Income Account No. 770	13,796,343	13,800,459
Subtotal, General Revenue Fund - Dedicated	$ 17,504,343	$ 17,619,459
Total, Method of Financing	$ 54,864,331	$ 55,365,977
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	896.0	896.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,341.0	1,341.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	38%	39%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	67%
Administrative Cost as a Percent of Total Expenditures	9%	9%
State Pass Rate of Education EXCET Exam	74.09%	74.09%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	16.9%	16.9%
Percent of Lower Division Courses Taught by Tenured Faculty	62.25%	62.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	4.1	4.2
A.1.1. Strategy: OPERATIONS SUPPORT	$ 33,462,329	$ 33,462,329
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,561,097	$ 1,561,098
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 779,338	$ 876,132
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,938,975	$ 1,939,595
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 196,319	$ 196,319
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 75,000	$ 75,000
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 96,290	$ 96,290
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 613,285	$ 1,086,147
Total, Goal A: INSTRUCTION/OPERATIONS	$ 38,722,633	$ 39,292,910

B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 7,474,393	$ 7,474,393
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 780,911	$ 776,405
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 8,255,304	$ 8,250,798
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: ACADEMIC ENRICHMENT CENTER	$ 150,000	$ 150,000
Academic Enrichment Center/Advisement Center.		
C.2.1. Strategy: SAM HOUSTON MUSEUM	$ 440,439	$ 440,439
C.2.2. Strategy: BUSINESS & ECONOMIC DEVELOPMENT CTR	$ 160,125	$ 160,125
Center for Business and Economic Development.		
C.2.3. Strategy: LAW ENFORCEMENT MGT INSTITUTE	$ 3,708,000	$ 3,819,000
Bill Blackwood Law Enforcement Management Institute of Texas. Estimated.		
C.3.1. Strategy: ENVIRONMENTAL STUDIES INSTITUTE	$ 175,238	$ 175,238
Institute of Environmental Studies.		
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	$ 3,252,592	$ 3,077,467
Total, Goal C: SPECIAL ITEM SUPPORT	$ 7,886,394	$ 7,822,269
Grand Total, SAM HOUSTON STATE UNIVERSITY	$ 54,864,331	$ 55,365,977
Method of Financing:		
General Revenue Fund	$ 37,359,988	$ 37,746,518
General Revenue Fund - Dedicated		
Law Enforcement Management Institute Account No. 581	3,708,000	3,819,000
Estimated Other Educational and General Income Account No. 770	13,796,343	13,800,459
Subtotal, General Revenue Fund - Dedicated	$ 17,504,343	$ 17,619,459
Total, Method of Financing	$ 54,864,331	$ 55,365,977

2. **Criminal Justice Center.** From the funds appropriated above, the University is directed to continue the Criminal Justice Center operations at a minimum level of $800,000 per year.

3. **Criminal Justice Center Faculty Salaries.** It is the intent of the Legislature that Sam Houston State University may augment the base salaries of faculty members at the Criminal Justice Center from a grant or consulting contract, as provided by law. Sam Houston State University

must include a report of any salaries that have been augmented and the amount of the augmentation in the request for legislative appropriations submitted to the Legislative Budget Board and Governor's Office of Budget and Planning for the biennium ending August 31, 2003.

4. **Center for Business and Economic Development.** Included in the appropriation above to Sam Houston State University is $160,125 in each year of the biennium for the Center for Business and Economic Development, or its equivalent due to special and general provisions of this Act, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Center for Business and Economic Development will generate at least $320,250 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Center for Business and Economic Development be used by the center to attract federal funds on a dollar-for-dollar basis.

SOUTHWEST TEXAS STATE UNIVERSITY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 92,316,270	$ 93,185,739
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$ 92,316,270	$ 93,185,739
Method of Financing:		
General Revenue Fund	$ 66,842,042	$ 67,695,945
* GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
* GR Dedicated - Estimated Other Educational and General Income Account No. 770	25,474,228	25,489,794
Total, Method of Financing	$ 92,316,270	$ 93,185,739
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,827.0	1,827.0
Number of Full-Time-Equivalent Positions (FTE)-Total	2,927.0	2,957.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	42.9%	47.1%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.6%	74.9%

*Corrected Method of Financing.

Administrative Cost as a Percent of Total Expenditures	10.7%	10.7%
State Pass Rate of Education EXCET Exam	83.9%	83.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	49.9%	50%
Percent of Lower Division Courses Taught by Tenured Faculty	49%	50%
Dollar Value of External or Sponsored Research Funds (in Millions)	11.4	11.4
A.1.1. Strategy: OPERATIONS SUPPORT	$ 60,894,813	$ 60,894,813
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,524,267	$ 2,524,267
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,635,631	$ 1,838,776
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 4,218,610	$ 4,221,349
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 406,000	$ 406,000
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 665,106	$ 665,106
A.1.7. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 1,513,467	$ 2,680,397
Total, Goal A: INSTRUCTION/OPERATIONS	$ 71,857,894	$ 73,230,708
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 14,106,231	$ 14,106,231
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,099,558	$ 2,096,213
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$ 243,845	$ 243,845
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 16,449,634	$ 16,446,289
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.		
C.1.1. Strategy: GEOGRAPHY EDUCATION Improvement of geography education.	$ 50,000	$ 50,000
C.1.2. Strategy: MULTI-INSTITUTIONAL TEACHING CENTER North Austin Multi-institutional Teaching Center.	$ 400,000	$ 400,000
C.2.1. Strategy: EDWARDS AQUIFER RESEARCH CENTER Edwards Aquifer Research and Data Center.	$ 247,161	$ 247,161
C.2.2. Strategy: LONG-TERM HEALTH CARE INSTITUTE Institute for Quality Improvement in Long-Term Health Care.	$ 167,808	$ 167,808
C.2.3. Strategy: SEMICONDUCTOR INITIATIVE Semiconductor Manufacturing and Research Initiative.	$ 100,000	$ 100,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,543,773	$ 2,543,773

	C.4.2. Strategy: FLOOD DAMAGE REPAIR REIMBURSEMENT	$ 500,000	$ UB
	Total, Goal C: SPECIAL ITEM SUPPORT	$ 4,008,742	$ 3,508,742
	Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$ 92,316,270	$ 93,185,739
	Method of Financing:		
	General Revenue Fund	$ 66,842,042	$ 67,695,945
*	GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
*	GR Dedicated - Estimated Other Educational and General Income Account No. 770	25,474,228	25,489,794
	Total, Method of Financing	$ 92,316,270	$ 93,185,739

2. **Freeman Ranch.** Out of the amounts appropriated above in informational item A.1.7, Organized Activities, $131,531 in each year of the biennium shall be used for the Freeman Ranch.

SUL ROSS STATE UNIVERSITY

		For the Years Ending August 31, 2002	August 31, 2003
	1. Educational and General State Support	$ 17,167,439	$ 17,324,447
	Grand Total, SUL ROSS STATE UNIVERSITY	$ 17,167,439	$ 17,324,447
	Method of Financing:		
	General Revenue Fund	$ 14,799,801	$ 14,955,500
*	GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
*	GR Dedicated - Estimated Other Educational and General Income Account No. 770	2,367,638	2,368,947
	Total, Method of Financing	$ 17,167,439	$ 17,324,447
	Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	358.0	358.0
	Number of Full-Time-Equivalent Positions (FTE)-Total	435.5	435.5

*Corrected Method of Financing.

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	23%	24%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	53.8%	54.8%
Administrative Cost as a Percent of Total Expenditures	14.2%	14.2%
State Pass Rate of Education EXCET Exam	48.3%	48.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62.3%	62.3%
Percent of Lower Division Courses Taught by Tenured Faculty	51.2%	51.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 5,797,177	$ 5,797,177
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 225,012	$ 225,013
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 215,475	$ 242,237
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 330,832	$ 331,020
A.1.5. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 11,974	$ 11,974
A.1.6. Strategy: ORGANIZED ACTIVITIES	$ 10,500	$ 10,500
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 956,449	$ 956,449
A.1.8. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 170,978	$ 302,807
Total, Goal A: INSTRUCTION/OPERATIONS	$ 7,718,397	$ 7,877,177
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,723,934	$ 2,723,934
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 1,680,919	$ 1,679,147
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 4,404,853	$ 4,403,081
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: CHIHUAHUAN DESERT RESEARCH	$ 39,104	$ 39,104
C.1.2. Strategy: CENTER FOR BIG BEND STUDIES	$ 222,099	$ 222,099
C.2.1. Strategy: SUL ROSS MUSEUM Sul Ross State University Museum.	$ 143,572	$ 143,572
C.2.2. Strategy: BIG BEND SMALL BUSINESS DEVT CENTER Big Bend Region Minority and Small Business Development Center.	$ 87,604	$ 87,604
C.2.3. Strategy: CRIMINAL JUSTICE ACADEMY	$ 94,176	$ 94,176
C.2.4. Strategy: BIG BEND ARCHIVES Archives of the Big Bend.	$ 125,000	$ 125,000
C.2.5. Strategy: RURAL HISPANIC LEADERSHIP	$ 100,000	$ 100,000
C.2.6. Strategy: MUSEUM OF THE BIG BEND	$ 50,000	$ 50,000

SUL ROSS STATE UNIVERSITY
(Continued)

C.2.7. Strategy: RIO GRANDE HERITAGE TOURISM	$ 150,000	$ 150,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 4,032,634	$ 4,032,634
C.3.2. Strategy: HISTORIC BUILDING RENOVATION	$ UB	$ UB
Total, Goal C: SPECIAL ITEM SUPPORT	$ 5,044,189	$ 5,044,189
Grand Total, SUL ROSS STATE UNIVERSITY	$ 17,167,439	$ 17,324,447
Method of Financing:		
General Revenue Fund	$ 14,799,801	$ 14,955,500
* GR Dedicated - Estimated Board Authorized Tuition Increases Account No. 704	0	0
* GR Dedicated - Estimated Other Educational and General Income Account No. 770	2,367,638	2,368,947
Total, Method of Financing	$ 17,167,439	$ 17,324,447

1. **Historic Building Renovation.** Sul Ross State University shall be allowed to carry over the unexpended balances in General Revenue appropriated in the 2000–2001 biennium to the 2002–2003 biennium to be used for the renovation of an historic building. The Legislature expressly has determined that there is a demonstrated need for the project. The amount appropriated above in Strategy C.3.2, Historic Building Renovation, shall be used solely to renovate or otherwise restore an historic property located in Alpine, Texas, the purchase of which is hereby authorized. The facility shall be used for educational and general purposes.

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 6,107,939	$ 6,133,243
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$ 6,107,939	$ 6,133,243
Method of Financing:		
General Revenue Fund	$ 5,414,400	$ 5,439,479
GR Dedicated - Estimated Other Educational and General Income Account No. 770	693,539	693,764
Total, Method of Financing	$ 6,107,939	$ 6,133,243
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	82.6	82.6
Number of Full-Time-Equivalent Positions (FTE)-Total	91.4	91.4

*Corrected Method of Financing.

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	10.6%	10.6%
State Pass Rate of Education EXCET Exam	45.7%	46.1%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	84%	84%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 2,001,450	$ 2,001,450
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 73,634	$ 73,635
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 30,407	$ 34,184
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 103,835	$ 103,869
A.1.5. Strategy: FORMULA HOLD HARMLESS	$ 265,231	$ 265,231
A.1.6. Strategy: CAPITAL EQUITY & EXCELLENCE FUNDING Capital Equity and Excellence funding.	$ 27,874	$ 49,366
Total, Goal A: INSTRUCTION/OPERATIONS	$ 2,502,431	$ 2,527,735
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 750,000	$ 750,000
B.1.2. Strategy: LEASE OF FACILITIES	$ 260,591	$ 260,591
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,010,591	$ 1,010,591
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 109,837	$ 109,837
C.1.2. Strategy: DOLPH BRISCOE INSTITUTE Dolph Briscoe Institute for Local Government.	$ 50,000	$ 50,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 2,435,080	$ 2,435,080
Total, Goal C: SPECIAL ITEM SUPPORT	$ 2,594,917	$ 2,594,917
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$ 6,107,939	$ 6,133,243
Method of Financing:		
General Revenue Fund	$ 5,414,400	$ 5,439,479
GR Dedicated - Estimated Other Educational and General Income Account No. 770	693,539	693,764
Total, Method of Financing	$ 6,107,939	$ 6,133,243

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 139,206,332	$ 141,226,194
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$ 139,206,332	$ 141,226,194
Method of Financing:		
General Revenue Fund	$ 94,858,157	$ 94,597,227
GR Dedicated - Estimated Other Educational and General Income Account No. 770	44,348,175	46,628,967
Total, Method of Financing	$ 139,206,332	$ 141,226,194
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,669.5	1,669.5
Number of Full-Time-Equivalent Positions (FTE)-Total	5,803.4	5,803.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	97.9%	97.9%
Percent of Medical School Graduates Entering a Primary Care Residency	58%	58%
Percent of Medical School Graduates Practicing Primary Care in Texas	26%	26%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	5.75%	5.75%
A.1.1. Strategy: MEDICAL EDUCATION	$ 46,122,253	$ 46,122,253
Output (Volume):		
Number of Combined MD/PhD Graduates	8	8
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	14.1%	14.1%
Minority Admissions as a Percent of Total MD Admissions	15%	15%
Minority Residents as a Percent of Total Residents	15%	15%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 5,112,357	$ 5,112,357
Graduate training in biomedical sciences.		

A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$ 4,709,179	$ 4,709,179
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,446,760	$ 1,626,447
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 439,308	$ 475,342
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 84,525	$ 91,458
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 922,600	$ 925,600
A.3.2. Strategy: MEDICAL LOANS	$ 91,700	$ 91,700
Total, Goal A: INSTRUCTION/OPERATIONS	$ 58,928,682	$ 59,154,336
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	176,017,680	176,017,680
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 6,531,905	$ 6,531,905
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 27,462,858	$ 29,561,904
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 33,994,763	$ 36,093,809
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 23,332,953	$ 23,332,953
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,222,498	$ 1,955,888
C.2.2. Strategy: DEBT SVC- NORTH CAMPUS EXPANSION Debt service - North Campus expansion.	$ 8,905,428	$ 8,850,850
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$ 34,460,879	$ 34,139,691
D. Goal: PROVIDE SPECIAL ITEM SUPPORT		
D.1.1. Strategy: PRIMARY CARE RESIDENCY TRAINING Primary Care Residency Training Program.	$ 1,110,810	$ 1,110,810
D.2.1. Strategy: SCIENCE TEACHER ACCESS TO RESOURCES Program for Science Teacher Access to Resources (STARS).	$ 607,319	$ 621,147
Output (Volume):		
Number of High School and Middle School Teachers Completing a STARS Program	772	790
D.2.2. Strategy: INNOVATIONS IN MEDICAL TECHNOLOGY Institute for Innovations in Medical Technology.	$ 9,000,000	$ 9,000,000
D.3.1. Strategy: REGIONAL BURN CARE CENTER	$ 103,879	$ 106,401
D.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$ 11,822,008	$ 11,838,358
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$ 139,206,332	$ 141,226,194

Method of Financing:		
General Revenue Fund	$ 94,858,157	$ 94,597,227
GR Dedicated - Estimated Other Educational and General Income Account No. 770	44,348,175	46,628,967
Total, Method of Financing	$ 139,206,332	$ 141,226,194

2. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Southwestern Medical Center at Dallas also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $4,305,375 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 468,067,520	$ 467,761,224
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$ 468,067,520	$ 467,761,224
Method of Financing:		
General Revenue Fund	$ 221,985,955	$ 221,679,659
GR Dedicated - Estimated Other Educational and General Income Account No. 770	23,186,383	23,186,383
Interagency Contracts	20,000,000	20,000,000
Health-Related Institutions Patient Income, estimated	202,895,182	202,895,182
Total, Method of Financing	$ 468,067,520	$ 467,761,224
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	6,302.8	6,302.8
Number of Full-Time-Equivalent Positions (FTE)-Total	13,832.6	13,832.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94%	94%

Percent of Medical School Graduates Entering a Primary Care Residency	58%	58%
Percent of Medical School Graduates Practicing Primary Care in Texas	52%	52%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	89%	89%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	97%	97%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	95%	95%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	90%	90%
Administrative (Institutional Enhancement) Cost as a Percent of Total Expenditures	3.42%	3.42%
A.1.1. Strategy: MEDICAL EDUCATION	$ 53,060,053	$ 53,002,671
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	23%	23%
Minority Admissions as a Percent of Total MD Admissions	25%	25%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 4,081,233	$ 4,076,820
Graduate training in biomedical sciences.		
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$ 6,275,120	$ 6,268,334
A.1.4. Strategy: NURSING EDUCATION	$ 7,158,339	$ 7,150,598
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 17,301,632	$ 19,450,494
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 1,226,415	$ 1,226,415
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 418,776	$ 418,776
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,053,002	$ 1,053,002
A.3.2. Strategy: MEDICAL LOANS	$ 155,162	$ 155,162
A.4.1. Strategy: FORMULA HOLD HARMLESS	$ 789,505	$ 789,505
Total, Goal A: INSTRUCTION/OPERATIONS	$ 91,519,237	$ 93,591,777
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	79,450,628	79,450,628
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 3,761,805	$ 3,761,805
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 13,081,660	$ 12,947,018
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 16,843,465	$ 16,708,823
C. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 19,464,985	$ 19,443,935
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 711,727	$ 423,569
C.2.2. Strategy: CAPITAL PROJECTS	$ 21,931,285	$ 21,998,628
Total, Goal C: INFRASTRUCTURE SUPPORT	$ 42,107,997	$ 41,866,132

D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Percent of Medical Residency Completers Practicing in Texas	50%	50%
Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities	189,861,500	189,861,000
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities	552,077,000	552,077,000
D.1.1. Strategy: MEDICAL BRANCH HOSPITALS	$ 300,643,115	$ 298,649,770
Output (Volume):		
Total Number of Outpatient Visits	770,271	770,271
Total Number of Inpatient Days	175,077	175,077
Explanatory:		
Minority MD or DO Residents as a Percent of Total MD or DO Residents	18%	18%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: HYPERBARIC TREATMENT AND RESEARCH	$ 100,000	$ 100,000
E.2.1. Strategy: CHRONIC HOME DIALYSIS CENTER	$ 2,268,079	$ 2,265,807
E.2.2. Strategy: PRIMARY CARE PHYSICIAN SERVICES	$ 7,265,592	$ 7,260,071
E.2.3. Strategy: EAST TEXAS HEALTH EDUCATION CENTERS	$ 2,320,035	$ 2,318,844
East Texas Area Health Education Centers.		
E.2.4. Strategy: SUPPORT FOR INDIGENT CARE	$ 4,000,000	$ 4,000,000
E.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 16,953,706	$ 16,944,722
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$ 468,067,520	$ 467,761,224
Method of Financing:		
General Revenue Fund	$ 221,985,955	$ 221,679,659
GR Dedicated - Estimated Other Educational and General Income Account No. 770	23,186,383	23,186,383
Interagency Contracts	20,000,000	20,000,000
Health-Related Institutions Patient Income, estimated	202,895,182	202,895,182
Total, Method of Financing	$ 468,067,520	$ 467,761,224

2. **Appropriation of Charges and Fees.** There is hereby appropriated to The University of Texas Medical Branch at Galveston all charges and fees collected for the general expenses of the medical branch hospitals, including maintenance, support, and salaries of employees for the fiscal years ending August 31, 2002 and 2003.

3. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected by hospitals, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the hospitals and may utilize up to $5 million per annum of local income to match any gift made to endowments provided, however, such match will not result in any reduction in the level of services for patients or any requirement for

general revenue replacement. Any project initiated under this authorization shall not be structured in such a manner that will require future specific appropriation of general revenue. Provided, however, that this provision shall not be construed so as to authorize, without the prior and specific approval of the Legislature, the acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

4. **Helicopter Operation.** The University of Texas Medical Branch at Galveston is authorized to lease and operate a helicopter for the purpose of transporting critically ill or emergency patients to the medical branch hospitals. No state funds are to be used for the operation of this helicopter, except where the patient served is indigent or through an interagency contract with another state agency, or unless costs are reimbursed from insurance proceeds.

5. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Medical Branch at Galveston shall transfer from non-Medicaid state appropriated funds $100,017,317 in fiscal year 2002 and $100,017,317 in fiscal year 2003 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

6. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice. It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Chapter 501, Government Code, § 501.059.

7. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Medical Branch at Galveston also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $3,132,810 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

8. **Support of Student and Resident Training Programs.** The University of Texas Medical Branch at Galveston may spend any revenue appropriated to the institution by this Act or from other available funds for the support and development of student and resident training programs in Austin, including the payment of compensation, travel costs, costs for leased premises, and other operating expenses.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 155,703,429	$ 156,296,125
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$ 155,703,429	$ 156,296,125
Method of Financing:		
General Revenue Fund	$ 124,729,579	$ 124,368,217
GR Dedicated - Estimated Other Educational and General Income Account No. 770	28,618,045	29,565,473
Health-Related Institutions Patient Income, estimated	2,355,805	2,362,435
Total, Method of Financing	$ 155,703,429	$ 156,296,125
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,945.8	1,945.8
Number of Full-Time-Equivalent Positions (FTE)-Total	4,750.0	4,803.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94%	94%
Percent of Medical School Graduates Entering a Primary Care Residency	58%	58%
Percent of Medical School Graduates Practicing Primary Care in Texas	28%	28%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	22%	22%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	99%	99%
Percent of Dental School Graduates Who Are Licensed in Texas	90%	90%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	100%	100%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	98%	98%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	97%	97%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	65%	65%

Percent of Public Health School Graduates Who Are Employed in Texas	70%	70%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	10.45%	10.45%
A.1.1. Strategy: MEDICAL EDUCATION	$ 45,878,275	$ 45,877,316
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	16%	16%
Minority MD Admissions as a Percent of Total MD Admissions	15%	15%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	24%	24%
A.1.2. Strategy: DENTAL EDUCATION	$ 17,720,952	$ 17,720,581
Explanatory:		
Minority Admissions as a Percent of Total Dental School Admissions	10%	10%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 5,813,232	$ 5,813,111
Graduate training in biomedical sciences.		
A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$ 2,274,924	$ 2,274,876
A.1.5. Strategy: NURSING EDUCATION	$ 7,646,148	$ 7,645,988
A.1.6. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	$ 13,031,663	$ 13,031,390
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,877,417	$ 3,234,793
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 633,838	$ 633,838
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 61,797	$ 61,797
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,323,098	$ 1,330,593
A.3.2. Strategy: MEDICAL LOANS	$ 143,287	$ 143,957
Total, Goal A: INSTRUCTION/OPERATIONS	$ 97,404,631	$ 97,768,240
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	108,789,000	108,789,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 4,488,707	$ 4,488,707
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 17,915,886	$ 18,523,509
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 22,404,593	$ 23,012,216
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 20,231,740	$ 20,231,317
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 3,047,697	$ 2,673,654
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$ 23,279,437	$ 22,904,971
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities	22,932,222	22,932,222
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities	14,932,032	14,932,032
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$ 2,703,477	$ 2,693,775

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.2.1. Strategy: HEART DISEASE/STROKE RESEARCH	$ 3,000,000	$ 3,000,000
Heart disease and stroke research.		
E.2.2. Strategy: BIOTECHNOLOGY PROGRAM	$ 1,000,000	$ 1,000,000
E.3.1. Strategy: HARRIS COUNTY HOSPITAL DISTRICT	$ 4,344,666	$ 4,350,676
E.3.2. Strategy: SERVICE DELIVERY VALLEY/BORDER	$ 566,625	$ 566,247
Service delivery in the Valley/Border region.		
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 9,911,291	$ 9,916,923
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$ 155,703,429	$ 156,296,125
Method of Financing:		
General Revenue Fund	$ 124,729,579	$ 124,368,217
GR Dedicated - Estimated Other Educational and General Income Account No. 770	28,618,045	29,565,473
Health-Related Institutions Patient Income, estimated	2,355,805	2,362,435
Total, Method of Financing	$ 155,703,429	$ 156,296,125

2. **Texas Heart Institute.** Out of the funds appropriated above, the institution shall allocate $894,133 in each year of the biennium to the Texas Heart Institute for gene therapy and $399,086 in each year of the biennium to the Texas Heart Institute for cardiovascular research.

3. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Science Center at Houston also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,870,100 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 138,177,853	$ 137,420,116
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$ 138,177,853	$ 137,420,116

Method of Financing:		
General Revenue Fund	$ 117,425,448	$ 116,667,712
GR Dedicated - Estimated Other Educational and General Income Account No. 770	20,060,248	20,060,248
Health-Related Institutions Patient Income, estimated	692,157	692,156
Total, Method of Financing	$ 138,177,853	$ 137,420,116
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	2,248.1	2,248.1
Number of Full-Time-Equivalent Positions (FTE)-Total	4,873.1	5,004.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94.5%	94.5%
Percent of Medical School Graduates Entering a Primary Care Residency	58%	58%
Percent of Medical School Graduates Practicing Primary Care in Texas	30%	30%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	26%	26%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94%	94%
Percent of Dental School Graduates Who Are Licensed in Texas	90%	90%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95.7%	95.7%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	94%	94%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	98%	98%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	85%	85%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	6.2%	6.2%
A.1.1. Strategy: MEDICAL EDUCATION	$ 46,167,161	$ 46,166,518
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	28%	28%
Minority MD Admissions as a Percent of Total MD Admissions	26%	26%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	26%	26%
A.1.2. Strategy: DENTAL EDUCATION	$ 22,236,899	$ 22,236,590
Explanatory:		
Minority Admissions as a Percent of Total Dental School Admissions	22%	22%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 3,171,274	$ 3,171,230
Graduate training in biomedical sciences.		

A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	6,089,889	$	6,089,804
A.1.5. Strategy: NURSING EDUCATION	$	6,408,999	$	6,408,910
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,144,682	$	2,411,051
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	371,063	$	371,063
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	168,942	$	168,942
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,348,126	$	1,348,126
A.3.2. Strategy: MEDICAL LOANS	$	152,001	$	152,001
A.4.1. Strategy: FORMULA HOLD HARMLESS	$	1,792,002	$	1,792,002
Total, Goal A: INSTRUCTION/OPERATIONS	$	90,051,038	$	90,316,237
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		82,000,000		82,000,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	3,566,709	$	3,566,709
B.1.2. Strategy: INDIRECT COST RECOVERY	$	9,945,993	$	9,781,486
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	13,512,702	$	13,348,195
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	17,136,441	$	17,136,202
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	993,038	$	993,038
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	18,129,479	$	18,129,240
D. Goal: PROVIDE HEALTH CARE SUPPORT				
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	2,916,696	$	2,908,482
E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION South Texas Border Region health professional education.	$	7,500,000	$	6,650,000
Output (Volume):				
Number of Certificate, Associate, and Baccalaureate Degree Students Participating in Programs in South Texas Area		738		738
Number of Medical and Dental Students and Postbaccalaureate Allied Health, Nursing, and Graduate Students Participating in Programs in South Texas Area		1,828		1,828
Number of Resident Physicians and Dentists Participating In Programs in South Texas Area		144		144
E.1.2. Strategy: REGIONAL ACADEMIC HLTH CTR-MEDICAL Regional Academic Health Center - Medical.	$	1,500,000	$	1,500,000
E.1.3. Strategy: LAREDO EXTENSION CAMPUS	$	500,000	$	500,000
E.1.4. Strategy: OUTREACH SUPPORT-SOUTH TX PROGRAMS Institutional support for South Texas programs.	$	2,000,000	$	2,000,000
E.2.1. Strategy: FAMILY PRACTICE RESIDENCY TRAINING Family Practice Residency Training Program.	$	645,908	$	645,926

E.2.2. Strategy: PODIATRY RESIDENCY TRAINING Podiatry Residency Training Program.	$ 202,595	$ 202,601
E.3.1. Strategy: MYCOBACTERIAL-MYCOLOGY RESEARCH LAB	$ 219,435	$ 219,435
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 13,567,938	$ 12,717,962
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$ 138,177,853	$ 137,420,116
Method of Financing:		
General Revenue Fund	$ 117,425,448	$ 116,667,712
GR Dedicated - Estimated Other Educational and General Income Account No. 770	20,060,248	20,060,248
Health-Related Institutions Patient Income, estimated	692,157	692,156
Total, Method of Financing	$ 138,177,853	$ 137,420,116

2. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above $7,500,000 for the fiscal year ending August 31, 2002, and $6,650,000 for the fiscal year ending August 31, 2003, shall be used by the institution to expand graduate medical education, including family practice resident training programs, and other health professional education in the South Texas/Border Region.

   a. Of the funds appropriated for this purpose $3,000,000 for the fiscal year ending August 31, 2002, and $2,750,000 for the fiscal year ending August 31, 2003, shall be used by the institution for the Lower Rio Grande Valley in Cameron, Hidalgo, Starr, and Willacy Counties, to plan, initiate, and expand residency programs in pediatrics, psychiatry, family practice, obstetrics-gynecology, and internal medicine as appropriate; develop training programs in dentistry, nursing, and allied health; enhance existing clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources development.

   b. Of the funds appropriated for this purpose $2,000,000 for the fiscal year ending August 31, 2002, and $1,700,000 for the fiscal year ending August 31, 2003, shall be used in the Middle Rio Grande Border Area, to be established in Webb County but to serve Zapata, Jim Hogg, Duval, McMullen, La Salle, Dimmit, and Maverick Counties, to plan, initiate, and expand programs in primary care residencies, and allied health, nursing, and dentistry; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources.

c. Of the funds appropriated for this purpose $1,750,000 for the fiscal year ending August 31, 2002, and $1,500,000 for the fiscal year ending August 31, 2003, shall be used in Corpus Christi and the Coastal Bend Area to develop or expand, among other things, undergraduate clinical programs, primary care residency programs, allied health programs, medical library resources, and faculty development.

d. Of the funds appropriated for this purpose $650,000 for the fiscal year ending August 31, 2002, and $600,000 for the fiscal year ending August 31, 2003, shall be used in the Winter Garden Region in Edwards, Kinney, Maverick, Uvalde, Val Verde and Zavala Counties to plan, initiate, and expand programs in allied health and nursing; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library distance learning and telehealth resources.

e. Of the funds appropriated for this purpose $100,000 for fiscal year ending August 31, 2002, and $100,000 for fiscal year ending August 31, 2003, shall be used in the South Central Texas Region to be established in Bexar County but to serve Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Kames, Kendell, Kerr, Medina, and Wilson Counties to plan, initiate, and expand programs in allied health, nursing, and undergraduate medical or dental education; provide health career opportunity programs to appropriate grade students; enhance community-based clinical training sites; develop community-based faculty; and initiate appropriate medical library distance learning and telehealth resources.

f. None of the funds appropriated according to this provision shall be used by UTHSCSA for the purpose of providing administrative support to the educational programs in the regions specified by parts a, b, c, d, or e of this provision. In addition, none of the funds identified by this provision shall be used on the campus of UTHSCSA for administrative purposes.

g. Any unexpended balances remaining in the appropriations identified in parts a, b, c, d, or e of this provision from the fiscal year ending August 31, 2002, are appropriated to UTHSCSA for their original purposes and shall be used with funds appropriated by this provision for the fiscal year ending August 31, 2003, to continue to expand health professional programs and medical residency programs named in the previous subsections; provide needed support for direct medical education involving the Lower Rio Grande Valley, the Middle Rio Grande Area, the Corpus Christi/Coastal Bend Area, and the Winter Garden Region; and continue any needed infrastructure development. Hospital and clinic facilities for teaching and training purposes will be provided and maintained at no expense to the state.

h. A report by the Health Science Center shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2002, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

3. **Nursing and Medical Technology Program.** It is the intent of the Legislature that the University of Texas Health Science Center in San Antonio continue to assist Sul Ross State University Rio Grande College with the baccalaureate degree program in nursing from funds appropriated above, and that it further work with both Sul Ross State University and Southwest

Texas Junior College in establishing a baccalaureate degree program in medical technology. From funds appropriated above, at least $100,000 in each year of the biennium shall be expended for the medical technology program.

4. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Science Center at San Antonio also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $10,633,590 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 862,932,138	$ 939,319,079
Grand Total, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	$ 862,932,138	$ 939,319,079
Method of Financing:		
General Revenue Fund	$ 136,916,658	$ 136,924,278
GR Dedicated - Estimated Other Educational and General Income Account No. 770	53,176,623	56,232,184
Health-Related Institutions Patient Income, estimated	672,838,857	746,162,617
Total, Method of Financing	$ 862,932,138	$ 939,319,079
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	7,861.4	7,861.4
Number of Full-Time-Equivalent Positions (FTE)-Total	10,841.6	10,977.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 38,093,413	$ 42,824,614
A.1.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 1,772,865	$ 1,794,300
A.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 1,633,352	$ 1,653,100
Total, Goal A: INSTRUCTION/OPERATIONS	$ 41,499,630	$ 46,272,014

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	132,125,000	136,232,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 6,070,836	$ 6,070,836
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 29,423,930	$ 33,081,776
B.1.3. Strategy: SCIENCE PARK OPERATIONS	$ 5,419,111	$ 5,416,832
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 40,913,877	$ 44,569,444
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 51,663,313	$ 53,458,577
Educational and general space support.		
C.2.1. Strategy: LONG-TERM CAPITAL PROGRAM	$ 35,000,000	$ 40,000,000
C.2.2. Strategy: LONG-TERM CAPITAL EQUIPMENT	$ 35,000,000	$ 35,000,000
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$ 121,663,313	$ 128,458,577
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Percent of Medical Residency Completers Practicing in Texas	39%	39%
Total Gross Charges for Unsponsored Charity Care in State-owned Facilities	96,034,000	97,144,000
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities	1,041,170,000	1,170,283,000
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	8.5%	8.5%
D.1.1. Strategy: PATIENT CARE ACTIVITIES	$ 655,855,318	$ 717,019,044
Output (Volume):		
Total Number of Outpatient Visits	487,473	511,847
Total Number of Inpatient Days	144,026	148,901
Explanatory:		
Minority Residents as a Percent of Total Residents	15%	15%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.2.1. Strategy: RESEARCH SUPPORT	$ 2,000,000	$ 2,000,000
E.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 3,000,000	$ 3,000,000
Grand Total, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	$ 862,932,138	$ 939,319,079
Method of Financing:		
General Revenue Fund	$ 136,916,658	$ 136,924,278
GR Dedicated - Estimated Other Educational and General Income Account No. 770	53,176,623	56,232,184
Health-Related Institutions Patient Income, estimated	672,838,857	746,162,617
Total, Method of Financing	$ 862,932,138	$ 939,319,079

2. **Special Project Funding.** Notwithstanding other provisions of this article, the Board of Regents of The University of Texas System is hereby authorized, subject to approval by the Texas Higher Education Coordinating Board: (1) to expend such amounts of its Permanent University Fund bond proceeds and/or other bond proceeds and

such amounts of its other available moneys as may be necessary to fund the following project either in whole or in part; (2) to accept gifts, grants, and matching grants to fund such project either in whole or in part; and (3) to acquire, construct, alter, add to, repair, rehabilitate, equip and/or furnish such project for The University of Texas M. D. Anderson Cancer Center: (a) replacement research facility; and (b) ambulatory patient care facility.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas M. D. Anderson Cancer Center shall transfer from non-Medicaid state appropriated funds $82,379,683 in fiscal year 2002 and $82,379,683 in fiscal year 2003 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The transfers, however, shall be made not less frequently than monthly.

4. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas M. D. Anderson Cancer Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $6,132,015 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

5. **Animal Facilities and Programs.** The animal facilities and programs of the Department of Veterinary Sciences at the University of Texas M. D. Anderson Cancer Center (UTMDACC) - Bastrop shall be regulated and inspected by the United States Department of Agriculture, Animal and Planet Health Inspection Services, pursuant to the Federal Animal Welfare Act. The UTMDACC - Bastrop Department of Veterinary Sciences shall comply with the regulations and is under the oversight of the United States Public Health Service/National Institutes of Health Office of Laboratory Animal Welfare. The UTMDACC - Bastrop Department of Veterinary Sciences shall be independently accredited for animal care programs and facilities by the Council on Accreditation of the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC International). The Department shall be accredited by this body. It shall also be inspected regularly and its programs reviewed biannually by the UTMDACC Institutional Animal Care and Use Committee.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 72,150,571	$ 72,547,323
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$ 72,150,571	$ 72,547,323

Method of Financing:		
General Revenue Fund	$ 32,373,133	$ 32,386,724
GR Dedicated - Estimated Other Educational and General Income Account No. 770	785,675	793,309
Health-Related Institutions Patient Income, estimated	38,991,763	39,367,290
Total, Method of Financing	$ 72,150,571	$ 72,547,323
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,071.4	1,071.4
Number of Full-Time-Equivalent Positions (FTE)-Total	1,204.8	1,204.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: MEDICAL EDUCATION & RESEARCH ITEMS	$ 1,810,000	$ 1,810,000
Medical education, benefits for TDH physicians, infectious disease control, occupational/env health research.		
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,667,825	$ 2,999,168
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 495,415	$ 495,338
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 92,890	$ 92,876
A.3.1. Strategy: FORMULA HOLD HARMLESS	$ 211,281	$ 211,281
Total, Goal A: PROVIDE INSTRUCTION/OPERATIONS	$ 5,277,411	$ 5,608,663
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	4,061,427	4,061,427
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 1,622,789	$ 1,622,789
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 721,361	$ 722,446
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 2,344,150	$ 2,345,235
C. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 2,176,087	$ 2,177,895
Educational and general space support.		
D. Goal: PROVIDE HEALTH CARE SUPPORT		
Outcome (Results/Impact):		
Percent of Medical Residency Completers Practicing in Texas	90%	90%
Total Gross Charges for Un-sponsored Charity Care in State-owned Facilities	16,177,269	16,177,269
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities	76,890,761	76,890,761
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	6.5%	6.5%

D.1.1. Strategy: PATIENT CARE ACTIVITIES	$ 53,478,027	$ 53,541,236
Output (Volume):		
Total Number of Outpatient Visits	136,208	136,208
Total Number of Inpatient Days	30,466	30,466
Explanatory:		
Minority MD or DO Residents as a Percent of Total MD or DO Residents	16.7%	16.7%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: NORTHEAST TEXAS INITIATIVE	$ 5,000,000	$ 5,000,000
E.2.1. Strategy: FAMILY PRACTICE RESIDENCY TRAINING	$ 1,374,896	$ 1,374,294
Family Practice Residency Training Program.		
E.3.1. Strategy: SUPPORT FOR INDIGENT CARE	$ 1,500,000	$ 1,500,000
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 8,874,896	$ 8,874,294
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$ 72,150,571	$ 72,547,323
Method of Financing:		
General Revenue Fund	$ 32,373,133	$ 32,386,724
GR Dedicated - Estimated Other Educational and General Income Account No. 770	785,675	793,309
Health-Related Institutions Patient Income, estimated	38,991,763	39,367,290
Total, Method of Financing	$ 72,150,571	$ 72,547,323

2. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected from pay patients of the center, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the center; provided, however, that this provision should not be construed so as to authorize, without prior and specific approval of the Legislature, acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Health Center at Tyler shall transfer from non-Medicaid state appropriated funds $12,180,087 in fiscal year 2002 and $12,180,087 in fiscal year 2003 to the Department of Health. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Department of Health. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

4. **Informational Rider – Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, The University of Texas Health Center at Tyler also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,279,003 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 64,730,037	$ 63,187,583
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	$ 64,730,037	$ 63,187,583
Method of Financing:		
General Revenue Fund	$ 56,892,221	$ 55,352,201
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,850,320	4,850,201
Health-Related Institutions Patient Income, estimated	2,987,496	2,985,181
Total, Method of Financing	$ 64,730,037	$ 63,187,583
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	747.5	747.5
Number of Full-Time-Equivalent Positions (FTE)-Total	899.6	899.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	97%	97%
Percent of Medical School Graduates Entering a Primary Care Residency	71%	71%
Percent of Medical School Graduates Practicing Primary Care in Texas	30%	30%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	15%	15%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	92%	92%
Percent of Dental School Graduates Who Are Licensed in Texas	93%	93%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	96%	96%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	93%	93%
Percent of Rural Public Health School Graduates Who Are Employed in Texas	50%	50%
Administrative Cost as a Percent of Total Expenditures	12%	12%
A.1.1. Strategy: MEDICAL EDUCATION	$ 17,871,500	$ 17,870,437
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	14%	14%
Minority Admissions as a Percent of Total MD Admissions	15%	15%

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

Minority MD or DO Residents as a Percent of Total MD or DO Residents	15%	15%
A.1.2. Strategy: DENTAL EDUCATION	$ 22,166,336	$ 22,165,017
Explanatory: Minority Admissions as a Percent of Total Dental School Admissions	10%	10%
A.1.3. Strategy: DENTAL HYGIENE EDUCATION	$ 859,994	$ 859,943
A.1.4. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 1,900,399	$ 1,900,286
Graduate training in biomedical sciences.		
A.1.5. Strategy: RURAL PUBLIC HEALTH TRAINING	$ 3,048,709	$ 3,048,527
Graduate training in rural public health.		
A.3.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 444,352	$ 499,540
A.3.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 107,629	$ 107,732
A.3.3. Strategy: UNEMPLOYMENT INSURANCE	$ 55,335	$ 55,425
A.4.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 551,156	$ 551,156
A.4.2. Strategy: MEDICAL LOANS	$ 35,000	$ 35,000
Total, Goal A: INSTRUCTION/OPERATIONS	$ 47,040,410	$ 47,093,063
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact): Total External Research Expenditures	15,249,376	15,249,376
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 2,147,498	$ 2,147,498
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 797,975	$ 787,247
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 2,945,473	$ 2,934,745
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 5,540,489	$ 5,540,159
Educational and general space support.		
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 635,151	$ 634,471
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$ 6,175,640	$ 6,174,630
D. Goal: PROVIDE HEALTH CARE SUPPORT		
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$ 2,500,174	$ 2,479,953
E. Goal: PROVIDE SPECIAL ITEM SUPPORT		
E.1.1. Strategy: COASTAL BEND HEALTH EDUCATION CTR	$ 3,068,340	$ 1,505,192 & UB
Coastal Bend Health Education Center.		
E.1.2. Strategy: S. TEXAS RURAL PUBLIC HEALTH CTR	$ 1,000,000	$ 1,000,000
South Texas Center for Rural Public Health.		
E.2.1. Strategy: MULTICAMPUS INSTIT ENHANCEMENT	$ 2,000,000	$ 2,000,000
Multicampus (2) institutional enhancement.		
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$ 6,068,340	$ 4,505,192
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	$ 64,730,037	$ 63,187,583

Method of Financing:		
General Revenue Fund	$ 56,892,221	$ 55,352,201
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,850,320	4,850,201
Health-Related Institutions Patient Income, estimated	2,987,496	2,985,181
Total, Method of Financing	$ 64,730,037	$ 63,187,583

2. **Medical Program.** Texas A&M University System Health Science Center is hereby authorized to unite with Scott & White Clinic, Scott & White Memorial Hospital, and the Scott, Sherwood, and Brindley Foundation as its long-term primary partners for high quality clinical education and research for the benefit of the citizens of Texas. Texas A&M University System Health Science Center is additionally authorized to collaborate with the Central Texas Veterans' Health Care System, Darnall Army Community Hospital, and Driscoll Children's Hospital. Research conducted by Texas A&M University System Health Science Center faculty under the contract with its primary clinical partner to provide clinical education and research services shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies.

3. **Cardiovascular Research Institute.** Out of the amounts appropriated above, $2,055,000 in fiscal year 2002 and $2,305,000 in fiscal year 2003 shall be expended by the institution for Cardiovascular Research Institute activities conducted primarily at the health science center facilities in Temple. It is the intent of the Legislature that these funds would be an addition to the amounts allocated to the Temple campus for the normal operation and maintenance of programs and facilities during the biennium.

4. **Coastal Bend Health Education Center.** Out of funds appropriated above in Strategy E.1.1, Coastal Bend Health Education Center, $568,340 in fiscal year 2002 and $505,192 in fiscal year 2003 shall be used to operate a local area network among coastal distance education sites, provide electronic library access, and develop allied health programs with area general academic institutions.

5. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, Texas A&M University System Health Science Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,296,800 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 46,583,207	$ 46,714,032
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$ 46,583,207	$ 46,714,032
Method of Financing:		
General Revenue Fund	$ 41,830,524	$ 41,836,349
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,752,683	4,877,683
Total, Method of Financing	$ 46,583,207	$ 46,714,032
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	797.0	797.0
Number of Full-Time-Equivalent Positions (FTE)-Total	1,172.2	1,183.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	95%	95%
Percent of Medical School Graduates Entering a Primary Care Residency	71%	71%
Percent of Medical School Graduates Practicing Primary Care in Texas	36.1%	36.1%
Percent of Graduates in Family Practice in Texas	25%	25%
Percent of Graduates Entering a Family Practice Residency	41.5%	41.5%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%
Percent of Public Health School Graduates Who Are Employed in Texas	80%	80%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	10.3%	10.3%
A.1.1. Strategy: MEDICAL EDUCATION	$ 25,467,992	$ 25,467,992
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	17.8%	17.8%
Minority Admissions as a Percent of Total DO Admissions	15%	15%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	15%	15%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 2,462,163	$ 2,462,163
Graduate training in biomedical sciences.		

A.1.3. Strategy: PHYSICIAN ASSISTANT PROGRAM	$ 1,830,432	$ 1,830,432
A.1.4. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	$ 2,682,716	$ 2,682,716
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 355,191	$ 399,305
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 12,000	$ 12,000
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 12,000	$ 12,000
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 505,778	$ 507,224
A.3.2. Strategy: MEDICAL LOANS	$ 64,714	$ 64,714
Total, Goal A: INSTRUCTION/OPERATIONS	$ 33,392,986	$ 33,438,546
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	8,681,380	8,681,380
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 1,666,276	$ 1,666,276
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 1,228,154	$ 1,319,080
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 2,894,430	$ 2,985,356
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
C.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 4,553,313	$ 4,553,313
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,432,980	$ 2,427,460
C.2.2. Strategy: LEASE OF FACILITIES	$ 92,070	$ 92,070
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$ 7,078,363	$ 7,072,843
D. Goal: PROVIDE SPECIAL ITEM SUPPORT		
D.1.1. Strategy: DNA LABORATORY Clinical genetics/DNA laboratory.	$ 1,717,428	$ 1,717,287
D.2.1. Strategy: ALZHEIMER'S DIAG &TREATMENT CENTER Alzheimer's Diagnostic and Treatment Center.	$ 500,000	$ 500,000
D.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,000,000	$ 1,000,000
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$ 3,217,428	$ 3,217,287
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$ 46,583,207	$ 46,714,032
Method of Financing:		
General Revenue Fund	$ 41,830,524	$ 41,836,349
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,752,683	4,877,683
Total, Method of Financing	$ 46,583,207	$ 46,714,032

2. **Forensic Laboratory.** The University of North Texas Health Science Center at Fort Worth is authorized to conduct all blood and DNA tests associated with paternity testing for the Office of the Attorney General at a

monetary rate not to exceed the monetary rate at which the Attorney General could obtain the service elsewhere to the extent permitted under federal law and regulations. The income derived from this testing is to be spent only on the Forensic Laboratory. In addition, the services of the Forensic Laboratory are available to other entities or interested parties approved by the University of North Texas Health Science Center at Fort Worth.

3. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, the University of North Texas Health Science Center at Fort Worth also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $2,281,365 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

4. **Parking Garage Debt Service.** Funds appropriated in Strategy C.2.1, Tuition Revenue Bond Retirement, may be used to retire bonds authorized by the Seventy-sixth Legislature to construct a campus parking garage. Parking fee revenue generated by this facility will be accounted for and reported to the Legislative Budget Board. This fee revenue will be counted in the appropriations process to offset the costs of servicing debt associated with this facility.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 92,457,673	$ 91,978,016
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$ 92,457,673	$ 91,978,016
Method of Financing:		
General Revenue Fund	$ 87,365,123	$ 86,987,769
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,092,550	4,990,247
Total, Method of Financing	$ 92,457,673	$ 91,978,016
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,619.8	1,619.8
Number of Full-Time-Equivalent Positions (FTE)-Total	5,247.6	5,610.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	95%	95%
Percent of Medical School Graduates Entering a Primary Care Residency	58%	58%
Percent of Medical School Graduates Practicing Primary Care in Texas	26%	26%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	85%	85%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	86%	86%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	97%	97%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	71%	71%
Percent of Pharmacy School Graduates Passing the National Licensing Exam on the First Attempt	100%	100%
Percent of Pharmacy School Graduates Who Are Licensed in Texas	95%	95%
Administrative (Institutional Enhancement) Cost as a Percent of Total Expenditures	5.49%	5.49%
A.1.1. Strategy: MEDICAL EDUCATION	$ 29,883,476	$ 29,883,476
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	14%	14%
Minority Admissions as a Percent of Total MD Admissions	15%	15%
Minority MD or DO Residents as a Percent of Total MD or DO Residents	22%	22%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$ 1,611,769	$ 1,611,769
Graduate training in biomedical sciences.		
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$ 8,796,862	$ 8,796,862
A.1.4. Strategy: NURSING EDUCATION	$ 4,449,226	$ 4,449,226
A.1.5. Strategy: PHARMACY EDUCATION	$ 11,199,638	$ 11,199,638
A.3.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 637,226	$ 716,369
A.4.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 681,000	$ 681,000
A.4.2. Strategy: MEDICAL LOANS	$ 63,652	$ 63,652
Total, Goal A: INSTRUCTION/OPERATIONS	$ 57,322,849	$ 57,401,992
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	6,600,929	6,600,929
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 1,684,848	$ 1,684,848
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 754,338	$ 661,699
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 2,439,186	$ 2,346,547
C. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
C.1.1. Strategy: E&G SPACE SUPPORT	$ 13,503,509	$ 13,503,509
Educational and general space support.		

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$ 2,490,502	$ 2,135,044
Total, Goal C: INFRASTRUCTURE SUPPORT	$ 15,994,011	$ 15,638,553
D. Goal: PROVIDE SPECIAL ITEM SUPPORT		
D.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION	$ 995,576	$ 884,957
South Texas Border Region health professional education.		
D.1.2. Strategy: BORDER SUPPORT - ACADEMIC EXPANSION	$ 4,034,895	$ 4,035,023
Border health care support - academic expansion.		
D.1.3. Strategy: ACADEMIC SUPPORT-BORDER DEVELOPMENT	$ 408,099	$ 408,398
Academic operations support - Border Region development.		
D.1.4. Strategy: INTEGRATED HEALTH NETWORK	$ 1,375,143	$ 1,374,172
Output (Volume):		
Annual Event Hours of Distance Education	45,831	45,832
D.1.5. Strategy: MEDICAL EDUCATION - ODESSA	$ 1,559,487	$ 1,560,444
D.1.6. Strategy: EL PASO - MEDICAL	$ 1,500,000	$ 1,500,000
D.2.1. Strategy: FAMILY/COMMUNITY MEDICINE RESIDENCY	$ 623,706	$ 623,265
Family and Community Medicine Residency Training Programs.		
D.2.2. Strategy: MIDLAND SURGICAL RESIDENCY TRAINING	$ 134,061	$ 133,967
Midland Surgical Residency Training Program.		
D.2.3. Strategy: MIDLAND CARDIOLOGY RESIDENCY	$ 307,894	$ 307,676
Midland Cardiology Residency Training Program.		
D.2.4. Strategy: BORDER HEALTH - RESIDENT SUPPORT	$ 402,189	$ 402,487
Border health care support - resident support.		
D.3.1. Strategy: DIABETES RESEARCH CENTER	$ 300,000	$ 300,000
D.4.1. Strategy: RURAL HEALTH CARE	$ 1,060,577	$ 1,060,535
Rural health care support and education.		
D.5.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 4,000,000	$ 4,000,000
Multicampus (4) institutional enhancement.		
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$ 16,701,627	$ 16,590,924
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$ 92,457,673	$ 91,978,016
Method of Financing:		
General Revenue Fund	$ 87,365,123	$ 86,987,769
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,092,550	4,990,247
Total, Method of Financing	$ 92,457,673	$ 91,978,016

2. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above, $995,576 for the fiscal year ending August 31, 2002 and $884,957 for the fiscal year ending August 31, 2003 shall be used by the Regional Academic Health Center in El Paso for infrastructure support, faculty salaries, maintenance and operation, and library resources.

   a. Any unexpended funds from the fiscal year ending August 31, 2002, are appropriated to the institution and shall be used with funds appropriated by this section for the fiscal year ending August 31, 2003.

   b. A report by the Texas Tech University Health Sciences Center shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2002, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

3. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice. It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Chapter 501, Government Code, § 501.059.

4. **El Paso Center for Border Health Research.** It is the intent of the Legislature that the El Paso Center for Border Health Research is a collaboration between the University of Texas at El Paso and the Texas Tech University Health Sciences Center and is one component of the Paso del Norte Regional Health Institute. The El Paso Center for Border Health Research will be located in El Paso and will be concerned with the Texas border region. It shall conduct research, in areas not limited to, but focusing on and including, infectious diseases such as tuberculosis, Hispanic health issues such as diabetes and hypertension, border environmental health issues such as those associated with water and air quality, and children's health.

5. **Informational Rider–Tobacco Settlement Receipts.** This rider is informational only and does not make any appropriations. In addition to the amounts appropriated above, Texas Tech University Health Sciences Center also receives appropriations in Article XII, Tobacco Settlement Receipts, estimated to be $3,652,695 in each year of the 2002–03 biennium. Amounts appropriated in Article XII are to be used only for the purposes specified in VTCA, Education Code, § 63.002(c), (d), and (f) and § 63.102(c), (d), and (f).

6. **Medical School Enrollment.** Upon accreditation and approval by the Texas Higher Education Coordinating Board, Texas Tech University Health Sciences Center School of Medicine is authorized to admit annually an additional 20 medical students until the School of Medicine's first year enrollment reaches 200. It is the intent of the Legislature that this increase in enrollment be taken into account when preparing the appropriation recommendations for the Seventy-eighth Legislature.

PUBLIC COMMUNITY/JUNIOR COLLEGES

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ALAMO COMMUNITY COLLEGE		
A.1.1. Strategy: ACADEMIC EDUCATION	$ 41,421,550	$ 41,421,550
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 18,734,166	$ 18,734,166
Total, Goal A: ALAMO COMMUNITY COLLEGE	$ 60,155,716	$ 60,155,716
B. Goal: ALVIN COMMUNITY COLLEGE		
B.1.1. Strategy: ACADEMIC EDUCATION	$ 4,062,895	$ 4,062,895
B.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,153,799	$ 4,153,799
Total, Goal B: ALVIN COMMUNITY COLLEGE	$ 8,216,694	$ 8,216,694
C. Goal: AMARILLO COLLEGE		
C.2.1. Strategy: ACADEMIC EDUCATION	$ 8,175,748	$ 8,175,748
C.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 9,315,295	$ 9,315,295
Total, Goal C: AMARILLO COLLEGE	$ 17,491,043	$ 17,491,043
D. Goal: ANGELINA COLLEGE		
D.1.1. Strategy: ACADEMIC EDUCATION	$ 4,303,855	$ 4,303,855
D.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,913,829	$ 3,913,829
Total, Goal D: ANGELINA COLLEGE	$ 8,217,684	$ 8,217,684
E. Goal: AUSTIN COMMUNITY COLLEGE		
E.1.1. Strategy: ACADEMIC EDUCATION	$ 27,695,583	$ 27,695,583
E.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 10,983,794	$ 10,983,794
Total, Goal E: AUSTIN COMMUNITY COLLEGE	$ 38,679,377	$ 38,679,377
F. Goal: BLINN COLLEGE		
F.1.1. Strategy: STAR OF THE REPUBLIC MUSEUM	$ 345,049	$ 345,049
F.2.1. Strategy: ACADEMIC EDUCATION	$ 17,479,313	$ 17,479,313
F.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,582,603	$ 2,582,603
Total, Goal F: BLINN COLLEGE	$ 20,406,965	$ 20,406,965
G. Goal: BRAZOSPORT COLLEGE		
G.1.1. Strategy: ACADEMIC EDUCATION	$ 2,729,806	$ 2,729,806
G.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,533,220	$ 3,533,220
Total, Goal G: BRAZOSPORT COLLEGE	$ 6,263,026	$ 6,263,026

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

H. Goal: CENTRAL TEXAS COLLEGE		
H.1.1. Strategy: ACADEMIC EDUCATION	$ 8,403,401	$ 8,403,401
H.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 9,589,786	$ 9,589,786
Total, Goal H: CENTRAL TEXAS COLLEGE	$ 17,993,187	$ 17,993,187
I. Goal: CISCO JUNIOR COLLEGE		
I.1.1. Strategy: ACADEMIC EDUCATION	$ 3,083,572	$ 3,083,572
I.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,339,578	$ 1,339,578
Total, Goal I: CISCO JUNIOR COLLEGE	$ 4,423,150	$ 4,423,150
J. Goal: CLARENDON COLLEGE		
J.1.1. Strategy: ACADEMIC EDUCATION	$ 1,814,515	$ 1,814,515
J.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 503,860	$ 503,860
Total, Goal J: CLARENDON COLLEGE	$ 2,318,375	$ 2,318,375
K. Goal: COASTAL BEND COLLEGE		
K.1.1. Strategy: ACADEMIC EDUCATION	$ 3,389,832	$ 3,389,832
K.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,642,792	$ 3,642,792
Total, Goal K: COASTAL BEND COLLEGE	$ 7,032,624	$ 7,032,624
L. Goal: COLLEGE OF THE MAINLAND		
L.1.1. Strategy: ACADEMIC EDUCATION	$ 3,545,838	$ 3,545,838
L.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,805,359	$ 2,805,359
Total, Goal L: COLLEGE OF THE MAINLAND	$ 6,351,197	$ 6,351,197
M. Goal: COLLIN COUNTY CC		
Collin County Community College.		
M.1.1. Strategy: ACADEMIC EDUCATION	$ 15,377,803	$ 15,377,803
M.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 6,410,384	$ 6,410,384
Total, Goal M: COLLIN COUNTY CC	$ 21,788,187	$ 21,788,187
N. Goal: DALLAS COUNTY CC		
Dallas County Community College.		
N.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$ 746,042	$ 746,042
N.2.1. Strategy: ACADEMIC EDUCATION	$ 47,910,633	$ 47,910,633
N.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 38,333,408	$ 38,333,408
Total, Goal N: DALLAS COUNTY CC	$ 86,990,083	$ 86,990,083
O. Goal: DEL MAR COLLEGE		
O.1.1. Strategy: ACADEMIC EDUCATION	$ 9,010,587	$ 9,010,587
O.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 10,087,601	$ 10,087,601
Total, Goal O: DEL MAR COLLEGE	$ 19,098,188	$ 19,098,188

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

P. Goal: EL PASO COMMUNITY COLLEGE		
P.1.1. Strategy: ACADEMIC EDUCATION	$ 19,222,084	$ 19,222,084
P.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 13,039,845	$ 13,039,845
Total, Goal P: EL PASO COMMUNITY COLLEGE	$ 32,261,929	$ 32,261,929
Q. Goal: FRANK PHILLIPS COLLEGE		
Q.1.1. Strategy: ACADEMIC EDUCATION	$ 1,319,129	$ 1,319,129
Q.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,117,780	$ 1,117,780
Total, Goal Q: FRANK PHILLIPS COLLEGE	$ 2,436,909	$ 2,436,909
R. Goal: GALVESTON COLLEGE		
R.1.1. Strategy: ACADEMIC EDUCATION	$ 2,469,099	$ 2,469,099
R.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,815,185	$ 2,815,185
Total, Goal R: GALVESTON COLLEGE	$ 5,284,284	$ 5,284,284
S. Goal: GRAYSON COUNTY COLLEGE		
S.1.1. Strategy: ACADEMIC EDUCATION	$ 3,523,043	$ 3,523,043
S.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,863,034	$ 2,863,034
Total, Goal S: GRAYSON COUNTY COLLEGE	$ 6,386,077	$ 6,386,077
T. Goal: HILL COLLEGE		
T.1.1. Strategy: HERITAGE MUSEUM/GENEALOGY CENTER Heritage Museum and Genealogy Center.	$ 375,000	$ 375,000
T.2.1. Strategy: ACADEMIC EDUCATION	$ 2,896,361	$ 2,896,361
T.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,094,810	$ 2,094,810
Total, Goal T: HILL COLLEGE	$ 5,366,171	$ 5,366,171
U. Goal: HOUSTON COMMUNITY COLLEGE		
U.1.1. Strategy: ACADEMIC EDUCATION	$ 35,492,258	$ 35,492,258
U.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 31,149,079	$ 31,149,079
Total, Goal U: HOUSTON COMMUNITY COLLEGE	$ 66,641,337	$ 66,641,337
V. Goal: HOWARD COLLEGE		
V.1.1. Strategy: SWCID Southwest Collegiate Institute for the Deaf.	$ 2,394,943	$ 2,423,233
V.1.2. Strategy: SWCID STUDENT UNION BUILDING	$ 785,000	$ UB
V.1.3. Strategy: PEDESTRIAN PLAZA	$ 94,000	$ UB
V.2.1. Strategy: ACADEMIC EDUCATION	$ 2,473,435	$ 2,473,435
V.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,279,613	$ 5,279,613
Total, Goal V: HOWARD COLLEGE	$ 11,026,991	$ 10,176,281
W. Goal: KILGORE COLLEGE		
W.1.1. Strategy: ACADEMIC EDUCATION	$ 4,988,473	$ 4,988,473
W.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 6,450,378	$ 6,450,378
Total, Goal W: KILGORE COLLEGE	$ 11,438,851	$ 11,438,851

X. Goal: LAREDO COMMUNITY COLLEGE		
X.1.1. Strategy: IMPORT/EXPORT TRNG CTR	$ 219,674	$ 219,674
Regional Import/Export Training Center.		
X.2.1. Strategy: ACADEMIC EDUCATION	$ 7,409,945	$ 7,409,945
X.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,293,332	$ 5,293,332
Total, Goal X: LAREDO COMMUNITY COLLEGE	$ 12,922,951	$ 12,922,951
Y. Goal: LEE COLLEGE		
Y.1.1. Strategy: ACADEMIC EDUCATION	$ 5,000,421	$ 5,000,421
Y.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 6,104,567	$ 6,104,567
Total, Goal Y: LEE COLLEGE	$ 11,104,988	$ 11,104,988
Z. Goal: MCLENNAN COMMUNITY COLLEGE		
Z.1.1. Strategy: ACADEMIC EDUCATION	$ 6,567,878	$ 6,567,878
Z.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,966,507	$ 4,966,507
Total, Goal Z: MCLENNAN COMMUNITY COLLEGE	$ 11,534,385	$ 11,534,385
AA. Goal: MIDLAND COLLEGE		
AA.1.1. Strategy: AMERICAN AIRPOWER HERITAGE MUSEUM	$ 589,349	$ 589,349
AA.2.1. Strategy: ACADEMIC EDUCATION	$ 5,037,512	$ 5,037,512
AA.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,413,240	$ 3,413,240
Total, Goal AA: MIDLAND COLLEGE	$ 9,040,101	$ 9,040,101
AB. Goal: NAVARRO COLLEGE		
AB.1.1. Strategy: ACADEMIC EDUCATION	$ 5,687,559	$ 5,687,559
AB.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,239,189	$ 3,239,189
Total, Goal AB: NAVARRO COLLEGE	$ 8,926,748	$ 8,926,748
AC. Goal: NORTH CENTRAL TX COLLEGE		
North Central Texas College.		
AC.1.1. Strategy: ACADEMIC EDUCATION	$ 5,133,580	$ 5,133,580
AC.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,239,986	$ 2,239,986
Total, Goal AC: NORTH CENTRAL TX COLLEGE	$ 7,373,566	$ 7,373,566
AD. Goal: NORTH HARRIS CC		
North Harris Community College.		
AD.1.1. Strategy: ACADEMIC EDUCATION	$ 26,070,443	$ 26,070,443
AD.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 13,002,445	$ 13,002,445
Total, Goal AD: NORTH HARRIS CC	$ 39,072,888	$ 39,072,888
AE. Goal: NORTHEAST TEXAS CC		
Northeast Texas Community College.		
AE.1.1. Strategy: ACADEMIC EDUCATION	$ 2,201,117	$ 2,201,117

AE.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,352,069	$ 1,352,069
Total, Goal AE: NORTHEAST TEXAS CC	$ 3,553,186	$ 3,553,186
AF. Goal: ODESSA COLLEGE		
AF.1.1. Strategy: ACADEMIC EDUCATION	$ 4,275,653	$ 4,275,653
AF.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,557,927	$ 4,557,927
Total, Goal AF: ODESSA COLLEGE	$ 8,833,580	$ 8,833,580
AG. Goal: PANOLA COLLEGE		
AG.1.1. Strategy: ACADEMIC EDUCATION	$ 1,866,011	$ 1,866,011
AG.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,712,117	$ 1,712,117
Total, Goal AG: PANOLA COLLEGE	$ 3,578,128	$ 3,578,128
AH. Goal: PARIS JUNIOR COLLEGE		
AH.1.1. Strategy: ACADEMIC EDUCATION	$ 4,159,995	$ 4,159,995
AH.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,299,210	$ 2,299,210
Total, Goal AH: PARIS JUNIOR COLLEGE	$ 6,459,205	$ 6,459,205
AI. Goal: RANGER COLLEGE		
AI.1.1. Strategy: ACADEMIC EDUCATION	$ 1,518,792	$ 1,518,792
AI.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 799,583	$ 799,583
Total, Goal AI: RANGER COLLEGE	$ 2,318,375	$ 2,318,375
AJ. Goal: SAN JACINTO COLLEGE		
AJ.1.1. Strategy: ACADEMIC EDUCATION	$ 19,454,544	$ 19,454,544
AJ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 17,292,519	$ 17,292,519
Total, Goal AJ: SAN JACINTO COLLEGE	$ 36,747,063	$ 36,747,063
AK. Goal: SOUTH PLAINS COLLEGE		
AK.1.1. Strategy: ACADEMIC EDUCATION	$ 8,170,529	$ 8,170,529
AK.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,229,666	$ 5,229,666
Total, Goal AK: SOUTH PLAINS COLLEGE	$ 13,400,195	$ 13,400,195
AL. Goal: SO TX COMMUNITY COLLEGE		
South Texas Community College.		
AL.1.1. Strategy: ACADEMIC EDUCATION	$ 13,428,300	$ 13,428,300
AL.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 6,035,183	$ 6,035,183
Total, Goal AL: SO TX COMMUNITY COLLEGE	$ 19,463,483	$ 19,463,483

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AM. Goal: SW TEXAS JUNIOR COLLEGE		
Southwest Texas Junior College.		
AM.1.1. Strategy: ACADEMIC EDUCATION	$ 4,263,148	$ 4,263,148
AM.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,951,096	$ 1,951,096
Total, Goal AM: SW TEXAS JUNIOR COLLEGE	$ 6,214,244	$ 6,214,244
AN. Goal: TARRANT COUNTY COLLEGE		
AN.1.1. Strategy: ACADEMIC EDUCATION	$ 29,076,415	$ 29,076,415
AN.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 11,151,592	$ 11,151,592
Total, Goal AN: TARRANT COUNTY COLLEGE	$ 40,228,007	$ 40,228,007
AO. Goal: TEMPLE COLLEGE		
AO.1.1. Strategy: ACADEMIC EDUCATION	$ 3,410,048	$ 3,410,048
AO.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,902,249	$ 2,902,249
Total, Goal AO: TEMPLE COLLEGE	$ 6,312,297	$ 6,312,297
AP. Goal: TEXARKANA COLLEGE		
AP.1.1. Strategy: ACADEMIC EDUCATION	$ 3,855,419	$ 3,855,419
AP.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,143,359	$ 5,143,359
Total, Goal AP: TEXARKANA COLLEGE	$ 8,998,778	$ 8,998,778
AQ. Goal: TEXAS SOUTHMOST COLLEGE		
AQ.1.1. Strategy: ACADEMIC EDUCATION	$ 8,397,359	$ 8,397,359
AQ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,242,763	$ 3,242,763
Total, Goal AQ: TEXAS SOUTHMOST COLLEGE	$ 11,640,122	$ 11,640,122
AR. Goal: TRINITY VALLEY CC		
Trinity Valley Community College.		
AR.1.1. Strategy: ACADEMIC EDUCATION	$ 5,118,472	$ 5,118,472
AR.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,397,130	$ 5,397,130
Total, Goal AR: TRINITY VALLEY CC	$ 10,515,602	$ 10,515,602
AS. Goal: TYLER JUNIOR COLLEGE		
AS.1.1. Strategy: ACADEMIC EDUCATION	$ 10,465,012	$ 10,465,012
AS.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 5,730,879	$ 5,730,879
Total, Goal AS: TYLER JUNIOR COLLEGE	$ 16,195,891	$ 16,195,891

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AT. Goal: VERNON REG JUNIOR COLLEGE Vernon Regional Junior College.		
AT.1.1. Strategy: ACADEMIC EDUCATION	$ 1,751,568	$ 1,751,568
AT.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,861,745	$ 3,861,745
Total, Goal AT: VERNON REG JUNIOR COLLEGE	$ 5,613,313	$ 5,613,313
AU. Goal: VICTORIA COLLEGE		
AU.2.1. Strategy: ACADEMIC EDUCATION	$ 3,690,363	$ 3,690,363
AU.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,892,727	$ 3,892,727
Total, Goal AU: VICTORIA COLLEGE	$ 7,583,090	$ 7,583,090
AV. Goal: WEATHERFORD COLLEGE		
AV.1.1. Strategy: ACADEMIC EDUCATION	$ 3,120,103	$ 3,120,103
AV.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,239,858	$ 2,239,858
Total, Goal AV: WEATHERFORD COLLEGE	$ 5,359,961	$ 5,359,961
AW. Goal: WESTERN TEXAS COLLEGE		
AW.1.1. Strategy: ACADEMIC EDUCATION	$ 1,497,390	$ 1,497,390
AW.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,288,892	$ 1,288,892
Total, Goal AW: WESTERN TEXAS COLLEGE	$ 2,786,282	$ 2,786,282
AX. Goal: WHARTON COUNTY JR COLLEGE Wharton County Junior College.		
AX.1.1. Strategy: ACADEMIC EDUCATION	$ 5,279,900	$ 5,279,900
AX.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,803,478	$ 2,803,478
Total, Goal AX: WHARTON COUNTY JR COLLEGE	$ 8,083,378	$ 8,083,378
Grand Total, PUBLIC COMMUNITY/JUNIOR COLLEGES	$ 790,127,852	$ 789,277,142

1. **Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

2. **Appropriation Eligibility.** To be eligible for and to receive an appropriation a public community/junior college must be certified as required by VTCA, Education Code, Chapter 61, § 61.001, and comply with the following provisions:

   a. The Texas Higher Education Coordinating Board shall 1) determine whether each eligible public community/junior college has complied with all the provisions of this section; 2) determine each college's list of approved courses; and 3) certify its findings and such lists to the State Auditor not later than October 1 of each fiscal year. Each public community/junior college shall make such reports to the Texas Higher Education

Coordinating Board as may be required, classified in accordance with the rules and regulations issued by the Board.

b. On or before the dates for reporting official enrollments each semester to the Texas Higher Education Coordinating Board, each college will collect in full from each student that is to be counted for state aid purposes the amounts set as tuition by the respective governing boards. Valid contracts with the United States government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder, but subject to adjustments after final payment thereof.

c. Each community/junior college must use a registration and financial reporting system which is sufficient to satisfy the audit requirements of the State Auditor and furnish any reports and information as the auditor may require.

d. Each community/junior college must file by November 1 of each fiscal year directly with the Governor's Office of Budget and Planning, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position.

3. **Approved Elements of Expenditure.** The expenditures by a public community/junior college of any funds received by it under these provisions headed "Public Community/Junior Colleges" shall be limited to the payment of the following elements of cost: instruction, academic support, student services, institutional support, organized activities, and staff benefits. It is specifically provided, however, that in addition to the purposes enumerated herein, the funds appropriated above for special items may be expended for salaries, wages, travel, capital outlay and other necessary operating expenses. It is specifically provided that funds appropriated above may not be used for the operation of intercollegiate athletics.

4. **Audit of Compliance.** The compliance of each public community/junior college with the requirements set forth in the paragraphs above shall be ascertained by the State Auditor who shall also audit the pertinent books and records of each college as necessary.

5. **Vouchers for Disbursement of Appropriated Funds.** Vouchers for disbursement of the sums appropriated hereinabove shall be prepared by the Texas Higher Education Coordinating Board on the basis of the provisions in the paragraphs above and the warrants issued in payment thereof shall be issued in compliance with VTCA, Education Code, § 130.0031.

   Funds appropriated above to Howard County College for the operation of the Southwest Collegiate Institute for the Deaf shall be distributed in accordance with the installment schedule for Category 1 junior colleges.

   The total amount of funds appropriated above in each year of the biennium to Midland College in Strategy AA.1.1, American Airpower Heritage Museum, should be distributed on September 1 of the year funds are appropriated.

   In submitting vouchers for disbursement of the funds herein appropriated, the Texas Higher Education Coordinating Board, shall certify to the State Comptroller of Public Accounts that each school listed has qualified and is entitled to receive such funds under the provisions set forth in this Act under the heading "Public Community/Junior Colleges."

6. **Unobligated Balances.** At the close of each fiscal year each community/junior college shall report to the Coordinating Board the amount of state allocations which have not been obligated within each line item and shall return that amount to the State Treasury for deposit in the General Revenue Fund.

7. **Adjustment of Contact Hours.** The hours used in the contact hour base period are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and the public community and junior colleges, and the dollar amounts adjusted accordingly by the Texas Higher Education Coordinating Board. The total amount that is reduced from colleges which have overstated base period contact hours shall be redistributed to those colleges which have understated base period contact hours to the extent of such understatement. Redistributions shall include all institutions funded by the two-year contact hour funding formula. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium. No college shall have dollar amounts adjusted below $2,318,375. Institutions where sampling errors are identified may request a comprehensive institutional audit at institutional expense.

8. **Separation of Funds.** The funds appropriated by the State shall be maintained separately by community/junior colleges from other sources of income.

9. **Supplanting of Federal Funds Prohibited.** It is legislative intent that state funds not be used to supplant federal funds for the Job Training Partnership Act programs conducted by community/junior colleges.

10. **Residency of Texas Department of Criminal Justice Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

11. **Small Business Development Center.** The Small Business Development Center at Dallas County Community College shall receive $746,042 in each year of the biennium, as appropriated above, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,492,084 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

12. **Regional Import/Export Training Center.** Appropriations of $50,000 each year made above are contingent upon certification by the Comptroller of Public Accounts that increased economic activity associated with the Regional Import/Export Training Center and the Laredo Junior College will generate at least $100,000 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Regional Import/Export Training Center be used by the center to attract federal funds on a dollar-for-dollar basis.

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 2,514,401	$ 2,514,362
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 2,514,401	$ 2,514,362
Method of Financing:		
General Revenue Fund	$ 2,230,138	$ 2,230,138
GR Dedicated - Estimated Other Educational and General Income Account No. 770	284,263	284,224
Total, Method of Financing	$ 2,514,401	$ 2,514,362
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	38.1	38.1
Number of Full-Time-Equivalent Positions (FTE)-Total	40.5	40.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	40%	41%
Number of Minority Graduates	904	940
Graduates Employed in a Field Related to Their Degree or Certificate, or Continuing Their Education	87%	87%
A.1.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 17,000	$ 17,000
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	$ 1,997,401	$ 1,997,362
A.1.3. Strategy: TECHNICAL TRAINING PARTNERSHIP Technical training partnerships with community colleges.	$ 500,000	$ 500,000
Total, Goal A: INSTRUCTION/OPERATIONS	$ 2,514,401	$ 2,514,362
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 2,514,401	$ 2,514,362
Method of Financing:		
General Revenue Fund	$ 2,230,138	$ 2,230,138
GR Dedicated - Estimated Other Educational and General Income Account No. 770	284,263	284,224
Total, Method of Financing	$ 2,514,401	$ 2,514,362

2. **Coordination with Community/Junior Colleges.** In accordance with VTCA, Education Code, Chapter 135, prior to establishing a program in an area which is within a community/junior college district, the Texas State Technical College must receive authorization to offer such

educational, technical or vocational programs from the Texas Higher Education Coordinating Board.

3. **Appropriation, Governing Board.** Out of the funds appropriated herein, an amount not to exceed $49,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Expenditure Reporting for System Administration and Extension Centers.** Prior to each legislative session the Texas State Technical College System Administration shall file with the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board, and the Governor's Office a report detailing expenditures for system administration and the extension centers at Abilene, Brownwood, and Breckenridge. The report shall compare actual expenditures to funds appropriated for those purposes and shall cover the current and previous two biennia.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 20,438,770	$ 20,433,204
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$ 20,438,770	$ 20,433,204
Method of Financing:		
General Revenue Fund	$ 16,594,117	$ 16,588,551
GR Dedicated - Estimated Other Educational and General Income Account No. 770	3,844,653	3,844,653
Total, Method of Financing	$ 20,438,770	$ 20,433,204
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	429.6	429.6
Number of Full-Time-Equivalent Positions (FTE)-Total	541.6	541.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

*See also House Bill 2914.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN
(Continued)

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	38%	40%
Headcount Enrollment	5,846	6,079
Number of Associate Degrees and Certificates Awarded	678	705
Number of Minority Students Graduated	576	599
Administrative Cost as a Percent of Total Expenditures	8.8%	8.8%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 4,226,233	$ 4,224,644
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 11,193,196	$ 11,189,219
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 198,000	$ 198,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 551,900	$ 551,900
Total, Goal A: INSTRUCTION/OPERATIONS	$ 16,169,329	$ 16,163,763
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,652,014	$ 2,652,014
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,617,427	$ 1,617,427
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$ 20,438,770	$ 20,433,204
Method of Financing:		
General Revenue Fund	$ 16,594,117	$ 16,588,551
GR Dedicated - Estimated Other Educational and General Income Account No. 770	3,844,653	3,844,653
Total, Method of Financing	$ 20,438,770	$ 20,433,204

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 13,294,307	$ 13,288,807
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	$ 13,294,307	$ 13,288,807
Method of Financing:		
General Revenue Fund	$ 11,269,356	$ 11,265,856
GR Dedicated - Estimated Other Educational and General Income Account No. 770	2,024,951	2,022,951
Total, Method of Financing	$ 13,294,307	$ 13,288,807

*See also House Bill 2914.

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	223.5	223.5
Number of Full-Time-Equivalent Positions (FTE)-Total	273.2	273.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	48%	48%
Headcount Enrollment	1,995	2,000
Number of Associate Degrees and Certificates Awarded	411	425
Number of Minority Students Graduated	117	119
Administrative Cost as a Percent of Total Expenditures	11%	11%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 434,158	$ 433,439
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,781,532	$ 4,778,975
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 119,830	$ 119,830
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 269,577	$ 269,577
A.1.5. Strategy: ABILENE ACADEMIC/VOCATIONAL ED Abilene academic/vocational education.	$ 2,547,489	$ 2,546,242
A.1.6. Strategy: BROWNWOOD ACADEMIC/VOCATIONAL ED Brownwood academic/vocational education.	$ 1,031,694	$ 1,031,139
A.1.7. Strategy: RURAL TECH ACADEMIC/VOCATIONAL ED Rural Tech Center academic/vocational education.	$ 731,471	$ 731,049
Total, Goal A: INSTRUCTION/OPERATIONS	$ 9,915,751	$ 9,910,251
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 1,112,836	$ 1,112,836
B.1.2. Strategy: ABILENE E&G SPACE SUPPORT Abilene educational and general space support.	$ 199,517	$ 199,517
B.1.3. Strategy: BROWNWOOD E&G SPACE SUPPORT Brownwood educational and general space support.	$ 107,245	$ 107,245
B.1.4. Strategy: RURAL TECH E&G SPACE SUPPORT Rural Tech Center Educational and general space support.	$ 94,449	$ 94,449
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 1,514,047	$ 1,514,047
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,864,509	$ 1,864,509
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	$ 13,294,307	$ 13,288,807

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS
(Continued)

Method of Financing:		
General Revenue Fund	$ 11,269,356	$ 11,265,856
GR Dedicated - Estimated Other Educational and General Income Account No. 770	2,024,951	2,022,951
Total, Method of Financing	$ 13,294,307	$ 13,288,807

TEXAS STATE TECHNICAL COLLEGE - MARSHALL*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 4,737,833	$ 4,737,052
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	$ 4,737,833	$ 4,737,052
Method of Financing:		
General Revenue Fund	$ 4,016,258	$ 4,015,477
GR Dedicated - Estimated Other Educational and General Income Account No. 770	721,575	721,575
Total, Method of Financing	$ 4,737,833	$ 4,737,052
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	96.9	96.9
Number of Full-Time-Equivalent Positions (FTE)-Total	114.9	114.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	42%	43%
Headcount Enrollment	700	800
Number of Associate Degrees and Certificates Awarded	125	150
Number of Minority Students Graduated	38	45
Administrative Cost as a Percent of Total Expenditures	15%	14%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 594,139	$ 594,021
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,401,286	$ 2,400,623
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 35,000	$ 35,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 103,588	$ 103,588
Total, Goal A: INSTRUCTION/OPERATIONS	$ 3,134,013	$ 3,133,232
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 490,075	$ 490,075

*See also House Bill 2914.

TEXAS STATE TECHNICAL COLLEGE - MARSHALL
(Continued)

C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,113,745	$ 1,113,745
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	$ 4,737,833	$ 4,737,052
Method of Financing:		
General Revenue Fund	$ 4,016,258	$ 4,015,477
GR Dedicated - Estimated Other Educational and General Income Account No. 770	721,575	721,575
Total, Method of Financing	$ 4,737,833	$ 4,737,052

TEXAS STATE TECHNICAL COLLEGE - WACO*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 31,575,837	$ 31,568,522
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$ 31,575,837	$ 31,568,522
Method of Financing:		
General Revenue Fund	$ 26,909,363	$ 26,902,048
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,666,474	4,666,474
Total, Method of Financing	$ 31,575,837	$ 31,568,522
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	564.1	564.1
Number of Full-Time-Equivalent Positions (FTE)-Total	677.0	677.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	39%	41%
Headcount Enrollment	6,022	6,058
Number of Associate Degrees and Certificates Awarded	1,003	1,007
Number of Minority Students Graduated	173	177
Administrative Cost as a Percent of Total Expenditures	8.5%	8.5%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 2,877,979	$ 2,876,393
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 21,978,835	$ 21,973,106

*See also House Bill 2914.

A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 213,000	$ 213,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 640,000	$ 640,000
Total, Goal A: INSTRUCTION/OPERATIONS	$ 25,709,814	$ 25,702,499
B. Goal: PROVIDE INFRASTRUCTURE SUPPORT		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 3,932,617	$ 3,932,617
C. Goal: PROVIDE SPECIAL ITEM SUPPORT		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,933,406	$ 1,933,406
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$ 31,575,837	$ 31,568,522
Method of Financing:		
General Revenue Fund	$ 26,909,363	$ 26,902,048
GR Dedicated - Estimated Other Educational and General Income Account No. 770	4,666,474	4,666,474
Total, Method of Financing	$ 31,575,837	$ 31,568,522

SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE

1. **Expenditure of Educational and General Funds.** Recognizing that Texas State Technical College may have the opportunity and should be encouraged to attract private contributions, grants, or contracts, and to enter into agreements with private businesses and other agencies of government for purposes not specifically contained in the line items above that might require matching funds from TSTC, the Board of Regents of Texas State Technical College is hereby authorized to expend its remaining educational and general funds to meet contribution, contract, or grant-matching requirements only for the following purposes:

   a. planning and implementing a large-scale job-training program in conjunction with private business and other state agencies;

   b. acquiring facilities and equipment to carry out a large-scale industrial training program in conjunction with a major employer; and

   c. additional space and mechanical systems or renovation of existing buildings in accordance with the Campus Master Plans and subject to approval by the Texas Higher Education Coordinating Board.

2. **Financial Records.** The financial records and reports of the Texas State Technical College shall classify accounts in accordance with the recommendation of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration," published by the American Council on Education with a copyright date of 1952, and subsequent published revisions with such modifications as may be developed and provided by the Comptroller of Public Accounts, or as may be required to conform with specific provisions of the Appropriation Acts of the Legislature. The accounts of the Texas State Technical College shall be maintained and audited in accordance with the approved reporting system. The Texas State Technical College shall deliver to the Texas Higher Education Coordinating Board, any such program reports as it may deem necessary in accordance with its rules and regulations.

3. **Enrollment Records and Reports.** To be eligible to receive the appropriations hereinabove, the Texas State Technical College shall maintain separately for each campus and each extension center such enrollment records and report such enrollment data as required by the Texas Higher Education Coordinating Board. These enrollment reports shall be submitted in the form and on the date required.

   The above reports shall be certified to the Comptroller of Public Accounts no later than the date required by the Coordinating Board, and each term copies of the above certified enrollment reports shall be sent to the Coordinating Board, Legislative Budget Board, Governor, State Auditor and Legislative Reference Library.

   The State Auditor shall verify the certified enrollment data submitted to the agencies listed above as part of the audit of the Texas State Technical College.

   The Texas State Technical College shall offer only such courses as are economically justified in the considered judgment of the Board of Regents. The Board of Regents shall adopt policies specifying the conditions under which classes of less than 10 students by headcount are to be considered necessary and justifiable. The Board of Regents shall direct the chancellor or other officials to review enrollment data prior to the designated Coordinating Board census date and take all necessary actions to ensure that the small classes offered on each campus are only those that conform with established policies on small classes. Each school term, each campus shall prepare for submission to the Board of Regents a small class report showing the department, course number, title of course and the name of the instructor. The Board of Regents shall review enrollment reports certified to the Comptroller of Public Accounts, the campus small class reports and other enrollment records as necessary to ensure that the classes offered are economically justified and are in compliance with Board of Regents' policy.

4. **Certification of Compliance.** Expenditure of the funds appropriated hereinabove is contingent upon annual certification by the chancellor of the Texas State Technical College to the Comptroller of Public Accounts that the Texas State Technical College is in compliance with these provisions regarding budgets, accounting procedures and enrollment.

5. **Approved Geographic Locations.** None of the funds appropriated above to the Texas State Technical College shall be expended in promoting, developing or creating a campus or extension center at any other location in the state except as specified in VTCA, Education Code § 135.02.

6. **Temporary Special Courses.** Out of funds appropriated by contact hour generation hereinabove to the Texas State Technical College in pre-apprenticeship, related training for apprentices and specialized training for journeymen and compensatory training for pre-apprenticeship and apprenticeship enrollees, and plant expansion and new plant start-up training program no more than $50,000 per year may be spent wherever the need exists within the state in conjunction with curriculum approval by the Texas Higher Education Coordinating Board. Such expenditure of funds for these special courses are temporary in nature and outside the provision of VTCA, Education Code § 135.04.

7. **Aircraft Pilot Training Programs.** Funds may be used for the operation, maintenance or lease of aircraft for use in the Aircraft Pilot Training programs subject to the requirement that excess costs of flight instruction be recovered by an assessment of charge to student pilots. This income shall be separately accounted for and credited as a reduction in expenditure in the Aircraft Pilot Training Program.

8. **Approval of Plans by Foundations.** Any use of the Texas State Technical College's assets or facilities including, but not limited to, buildings, equipment or employees by existing

foundations or for the promotion of foundations shall require prior approval of the Board of Regents. Approval is contingent upon receipt by the Board of Regents of a satisfactory annual plan of operation. At a minimum, this plan must specify the proposed use of any Texas State Technical College facilities, equipment, and personnel; payments made directly to Texas State Technical College personnel for services provided or expenses incurred; and donations of funds to the Texas State Technical College for designated purposes. All funds donated by foundations to the Texas State Technical College shall be received and accounted for in the same manner as all other Texas State Technical College funds. After Board of Regents approval, the plan shall be filed with the Legislative Budget Board.

9. **Audit of Base Contact Hours.** The hours used in the contact hour base period to fund Texas State Technical College are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Public Community and Junior Colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium.

10. **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount NTE $63,654 in 2002 and $63,654 in 2003 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount NTE $7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

11. **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount NTE $70,231 in 2002 and $70,231 in 2003 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

12. **Flight Log Reporting Requirements.** Texas State Technical College shall provide the following travel log information about a state-operated aircraft each time the aircraft is flown:

    a. a mission statement, which may appear as a selection to be identified from general categories appearing on the form;

    b. the name, state agency represented, destination, and signature of each person who is a passenger or crew member of the aircraft;

    c. the date of each flight;

    d. a detailed and specific description of the official business purpose of each flight; and

    e. other information determined by the Legislative Budget Board and the board to be necessary to monitor the proper use of the aircraft.

TEXAS AGRICULTURAL EXPERIMENT STATION

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 66,595,705	$ 66,595,705
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$ 66,595,705	$ 66,595,705
Method of Financing:		
General Revenue Fund	$ 54,435,592	$ 54,435,592
Feed Control Fund - Local No. 058, estimated	2,166,310	2,166,310
GR - Dedicated - Clean Air Account No. 151	500,000	500,000
Federal Funds	6,455,093	6,455,093
GR - Dedicated - Agricultural Soil and Water Conservation Account No. 563	100,000	100,000
Sales Funds - Agricultural Experiment Station, estimated	1,250,000	1,250,000
Fertilizer Control Fund, estimated	1,413,710	1,413,710
Research-related Indirect Cost Recovery, estimated	275,000	275,000
Total, Method of Financing	$ 66,595,705	$ 66,595,705
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,458.0	1,458.0
Number of Full-Time-Equivalent Positions (FTE)-Total	2,269.0	2,269.0
Supplemental Appropriations Made in Riders:	$ 150,000	$ 0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: AGRICULTURAL COMPETITIVENESS		
To improve the competitiveness of Texas agricultural products.		
Outcome (Results/Impact):		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Livestock Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Plant and Crop Research	2%	2%
A.1.1. Strategy: LIVESTOCK RESEARCH	$ 9,806,671	$ 9,806,671
Conduct research on the biology, health and management of livestock and animal production systems.		
Output (Volume):		
Number of Refereed Publications	410	410
Explanatory:		
Amount of External Sponsor Support	8,500,000	8,500,000
A.2.1. Strategy: PLANT AND CROP RESEARCH	$ 19,901,923	$ 19,901,923
Conduct research on the biology, pests and management of plants and crop production systems.		
Output (Volume):		
Number of Refereed Publications	610	610
Explanatory:		
Amount of External Sponsor Support	16,810,000	16,810,000
Total, Goal A: AGRICULTURAL COMPETITIVENESS	$ 29,708,594	$ 29,708,594

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

B. Goal: ENVIRONMENTAL QUALITY		
To enhance environmental quality and conserve natural resources.		
Outcome (Results/Impact):		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Renewable Resources Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Environmental Quality Research	2%	2%
B.1.1. Strategy: RENEWABLE RESOURCES RESEARCH	$ 5,030,884	$ 5,030,884
Conduct research to enhance the efficiency with which the state's water, land and other renewable resources are used and managed to conserve resource stocks for future use.		
Output (Volume):		
Number of Refereed Publications	230	230
Explanatory:		
Amount of External Sponsor Support	4,318,000	4,318,000
B.2.1. Strategy: ENVIRONMENT QUALITY RESEARCH	$ 9,422,907	$ 9,422,907
Conduct research to protect and enhance water, air and soil quality and biodiversity.		
Output (Volume):		
Number of Refereed Publications	260	260
Explanatory:		
Amount of External Sponsor Support	9,440,574	9,440,574
Total, Goal B: ENVIRONMENTAL QUALITY	$ 14,453,791	$ 14,453,791
C. Goal: AGRICULTURAL PRODUCT QUALITY		
To enhance nutrition, quality, safety and market efficiency while maintaining affordability of agricultural products.		
Outcome (Results/Impact):		
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Agricultural Product Quality Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Agricultural Marketing Research	2.5%	2.5%
C.1.1. Strategy: AGRICULTURAL PRODUCT QUALITY RSRCH	$ 3,588,876	$ 3,588,876
Conduct research on biological, production, storage and handling processes and consumer behavior relating to safety, nutritional, and quality characteristics of agricultural products.		
Output (Volume):		
Number of Refereed Publications	225	225
Explanatory:		
Amount of External Sponsor Support	3,100,000	3,100,000
C.2.1. Strategy: AGRICULTURAL MARKETING RESEARCH	$ 1,901,942	$ 1,901,942
Conduct research on efficiency marketing, trade systems, and consumer behavior relating to food and agricultural products.		
Output (Volume):		
Number of Refereed Publications	105	105
Explanatory:		
Amount of External Sponsor Support	1,700,000	1,700,000
Total, Goal C: AGRICULTURAL PRODUCT QUALITY	$ 5,490,818	$ 5,490,818

D. Goal: VALUE-ADDED/ECONOMIC DEVELOPMENT		
To increase value-added from processing of Texas agricultural products and enhance the socioeconomic development of communities and the economy of Texas.		
Outcome (Results/Impact):		
Percentage Change in Number of Patents, Licenses, Disclosures, and Publications - Value-added Research	2%	2%
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Socioeconomic Research	2%	2%
D.1.1. Strategy: VALUE-ADDED RESEARCH	$ 1,192,700	$ 1,192,700
Conduct research into value-added enhancing techniques to facilitate the efficient conversion of plant and animal materials, residuals, byproducts, and wastes into higher valued products.		
Output (Volume):		
Number of Refereed Publications	95	95
Explanatory:		
Amount of External Sponsor Support	1,100,000	1,100,000
D.2.1. Strategy: SOCIOECONOMIC RESEARCH	$ 1,951,983	$ 1,951,983
Conduct research on economic, demographic and social factors impacting socioeconomic resources, services, and organizations in Texas.		
Output (Volume):		
Number of Refereed Publications	60	60
Explanatory:		
Amount of External Sponsor Support	1,955,814	1,955,814
Total, Goal D: VALUE-ADDED/ECONOMIC DEVELOPMENT	$ 3,144,683	$ 3,144,683
E. Goal: REGULATORY SERVICES		
To provide regulatory services that are fair to the industry and protect the interests of consumers.		
Outcome (Results/Impact):		
Percent Change in Number of European Honey Bee Certificates Issued	2%	2%
Change in Violation Rates - Feed and Fertilizer Program	2%	2%
E.1.1. Strategy: HONEY BEE REGULATION	$ 325,418	$ 325,418
Control diseases and other pests of EHB, reduce the impact of AHB through timely monitoring, regulatory/containment provisions, and respond to public needs.		
Output (Volume):		
Number of Bee Colonies Inspected	48,000	48,000
Number of Apiaries Inspected	175	175
E.2.1. Strategy: FEED AND FERTILIZER PROGRAM	$ 3,031,887	$ 3,031,887
Monitor and evaluate products distributed in the state.		
Output (Volume):		
Number of Feed and Fertilizer Samples Assigned to the Feed and Fertilizer Control Service Field Personnel	9,200	9,200
Number of Feed and Fertilizer Samples Analyzed by the Agricultural Analytical Services Laboratory	9,400	9,400
Total, Goal E: REGULATORY SERVICES	$ 3,357,305	$ 3,357,305
F. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
F.1.1. Strategy: PROGRAM ENHANCEMENT	$ 1,187,958	$ 1,187,958
Provide funding to improve agency's operational		

and programmatic efficiency.		
G. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
G.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$ 544,958	$ 544,958
G.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 210,681	$ 210,681
G.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 14,330	$ 14,330
G.1.4. Strategy: OASI Provide funding for OASI.	$ 378,642	$ 378,642
Total, Goal G: STAFF BENEFITS	$ 1,148,611	$ 1,148,611
H. Goal: INDIRECT ADMINISTRATION		
H.1.1. Strategy: INDIRECT ADMINISTRATION	$ 2,911,651	$ 2,911,651
H.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 5,192,294	$ 5,192,294
Total, Goal H: INDIRECT ADMINISTRATION	$ 8,103,945	$ 8,103,945
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$ 66,595,705	$ 66,595,705
Method of Financing:		
General Revenue Fund	$ 54,435,592	$ 54,435,592
Feed Control Fund - Local No. 058, estimated	2,166,310	2,166,310
GR - Dedicated - Clean Air Account No. 151	500,000	500,000
Federal Funds	6,455,093	6,455,093
GR - Dedicated - Agricultural Soil and Water Conservation Account No. 563	100,000	100,000
Sales Funds - Agricultural Experiment Station, estimated	1,250,000	1,250,000
Fertilizer Control Fund, estimated	1,413,710	1,413,710
Research-related Indirect Cost Recovery, estimated	275,000	275,000
Total, Method of Financing	$ 66,595,705	$ 66,595,705

2. **Unexpended Balances, TAES Current Fund.** Any balances remaining as of August 31, 2001 in Texas Agricultural Experiment Station Current Fund No. 240 and all revenues received during the biennium beginning September 1, 2001 are hereby appropriated to Texas Agricultural Experiment Station.

3. **Buffalo Gnat.** Out of the funds appropriated above, $10,000 in General Revenue Funds in each year of the biennium shall be used for buffalo gnat eradication.

4. **Unexpended Balances, General Revenue Fund-Dedicated, Agricultural Soil and Water Conservation Account.** Any unexpended balances in the Agricultural Soil and Water Conservation Account, estimated to be $10,000, remaining as of August 31, 2001, are hereby appropriated for the biennium beginning September 1, 2001, for the purposes of Subchapter G, Chapter 15, VTCA, Water Code. Any balances remaining after August 31, 2002, are hereby appropriated for fiscal year 2003.

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

5. **Limited Waiver from Proportionality Provision.** The Texas Agricultural Experiment Station is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Hatch Act and the McIntire-Stennis Act.

6. **Unexpended Balances, Equine Research Account.** Any unexpended balances in the Equine Research Account, estimated to be $100,000, as of August 31, 2001 and all income to the Equine Research Account during the biennium beginning September 1, 2001 are hereby appropriated to Texas Agricultural Experiment Station for support of the Equine Research Program.

7. **Unexpended Balances, Honey Bee Disease Fund.** Revenue collected as of August 31, 2001, estimated to be $40,000, and all fees collected during the biennium beginning September 1, 2001 pursuant to § 131.046, Texas Agriculture Code, are hereby appropriated from the General Revenue Fund to Texas Agricultural Experiment Station for the Honey Bee Disease Program.

8. **Honey Bees Research.** Out of the funds appropriated above in Strategy B.2.1, Environment Quality Research, $150,000 in fiscal year 2002 and $150,000 in fiscal year 2003 shall be used for research on the protection and management of honey bees.

9. **Cotton Germplasm Collections.** Out of the funds appropriated above in Strategy A.2.1, Plant and Crop Research, $300,000 in fiscal year 2002 and $300,000 in fiscal year 2003 in General Revenue Funds shall be used for the evaluation of cotton germplasm collections.

10. **Environmental Quality Research.** Out of the funds appropriated above in Strategy B.2.1, Environment Quality Research, a biennial amount of $600,000 shall be used to fund air quality research related to livestock production conducted at the Texas Agricultural Experiment Station in Amarillo, Texas.

11. **Texas State Data Center.** Out of funds appropriated above in Strategy F.1.1, Program Enhancement, the Texas Agricultural Experiment Station shall increase its allocation to the Texas State Data Center by a minimum of $150,000 in fiscal year 2002 and a minimum of $150,000 in fiscal year 2003.

TEXAS AGRICULTURAL EXTENSION SERVICE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 59,425,853	$ 60,014,151
Grand Total, TEXAS AGRICULTURAL EXTENSION SERVICE	$ 59,425,853	$ 60,014,151
Method of Financing:		
General Revenue Fund	$ 41,591,239	$ 42,179,537
Federal Funds	10,005,523	10,005,523
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	100,000	100,000
County Funds - Extension Programs Fund, estimated	6,939,421	6,939,421
Interagency Contracts	789,670	789,670
Total, Method of Financing	$ 59,425,853	$ 60,014,151

Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds		1,135.0		1,135.0
Number of Full-Time-Equivalent Positions (FTE)-Total		1,524.0		1,524.0
Supplemental Appropriations Made in Riders:	$	10,000	$	0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: HEALTH AND SAFETY EDUCATION To educate Texans to take more responsibility for improving their health, safety, productivity, and well-being.				
Outcome (Results/Impact):				
Percent Increase of Targeted Texans Reached		22%		24%
A.1.1. Strategy: HEALTH AND SAFETY EDUCATION Conduct educational programs related to nutrition, food safety, dependent care, and safe agricultural, home, and workplace environments.	$	10,879,064	$	10,879,064
Output (Volume):				
Direct Teaching Exposures		2,200,000		2,200,000
Efficiencies:				
Average Cost Per Educational Contact		3.5		3.5
B. Goal: ENVIRONMENTAL EDUCATION To educate citizens to improve their stewardship of the environment and Texas' natural resources.				
Outcome (Results/Impact):				
Percent Increase of Targeted Texans Reached		22%		24%
B.1.1. Strategy: ENVIRONMENTAL EDUCATION Conduct educational programs to protect and maintain Texas' land and water ecosystems.	$	8,749,841	$	8,749,841
Output (Volume):				
Direct Teaching Exposures		1,580,000		1,580,000
Efficiencies:				
Average Cost Per Educational Contact		1.56		1.56
C. Goal: ECONOMIC COMPETITIVENESS To enable Texans to make decisions that contribute to their economic security and to the state's economic prosperity.				
Outcome (Results/Impact):				
Percent Increase of Targeted Texans Reached		20%		22%
C.1.1. Strategy: ECONOMIC COMPETITIVENESS Conduct educational programs that contribute to the economic competitiveness of agricultural producers, the economic viability of rural communities, and the economic stability of individuals and families.	$	23,262,124	$	23,262,124
Output (Volume):				
Direct Teaching Exposures		2,400,000		2,400,000
Efficiencies:				
Economic Impact Per Dollar Invested		785		785
D. Goal: LEADERSHIP DEVELOPMENT To foster the development of responsible, productive, and self-motivated youth and adults.				
Outcome (Results/Impact):				
Percent Increase of Targeted Texans Reached		16%		18%
D.1.1. Strategy: LEADERSHIP DEVELOPMENT Teach the principles of leadership development to both youth and adults and provide	$	11,421,845	$	11,421,845

opportunities for youth to learn life skills and enhance career development.		
Output (Volume):		
Direct Teaching Exposures	2,250,000	2,250,000
Efficiencies:		
Average Cost Per Educational Contact	2.9	2.9
E. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
E.1.1. Strategy: PROGRAM ENHANCEMENT	$ 901,919	$ 901,919
Provide funding to improve agency's operational and programmatic efficiency.		
F. Goal: COUNTY EXTENSION AGENT SUPPORT		
To support County Extension Agents in recognition for their service to Texans.		
F.1.1. Strategy: COUNTY EXTENSION AGENT SALARIES	$ 138,422	$ 726,720
County Extension Agent salary increase.		
G. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
G.1.1. Strategy: STAFF GROUP INSURANCE	$ 815,000	$ 815,000
Provide funding for staff group insurance premiums.		
G.1.2. Strategy: WORKERS' COMP INSURANCE	$ 176,335	$ 176,335
Provide funding for workers' compensation insurance.		
G.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 8,000	$ 8,000
Provide funding for unemployment insurance.		
G.1.4. Strategy: OASI	$ 283,000	$ 283,000
Provide funding for OASI.		
Total, Goal G: STAFF BENEFITS	$ 1,282,335	$ 1,282,335
H. Goal: INDIRECT ADMINISTRATION		
H.1.1. Strategy: INDIRECT ADMINISTRATION	$ 2,025,076	$ 2,025,076
H.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 765,227	$ 765,227
Total, Goal H: INDIRECT ADMINISTRATION	$ 2,790,303	$ 2,790,303
Grand Total, TEXAS AGRICULTURAL EXTENSION SERVICE	$ 59,425,853	$ 60,014,151
Method of Financing:		
General Revenue Fund	$ 41,591,239	$ 42,179,537
Federal Funds	10,005,523	10,005,523
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	100,000	100,000
County Funds - Extension Programs Fund, estimated	6,939,421	6,939,421
Interagency Contracts	789,670	789,670
Total, Method of Financing	$ 59,425,853	$ 60,014,151

2. **Integrated Pest Management.** Out of the funds appropriated above, $49,365 in each year of the biennium is for contracting with the Texas Pest Management Association for pest management. No more than 10 percent of these funds shall be utilized by the Texas Agricultural Extension Service for administering the program.

TEXAS AGRICULTURAL EXTENSION SERVICE
(Continued)

3. **Unexpended Balances, General Revenue Fund-Dedicated, Agricultural Soil and Water Conservation Account.** Any unexpended balances in the Agricultural Soil and Water Conservation Account, estimated to be $10,000, remaining as of August 31, 2001, are hereby appropriated for the biennium beginning September 1, 2001, for the purposes of Subchapter G, Chapter 15, VTCA, Water Code. Any balances remaining after August 31, 2002, are hereby appropriated for fiscal year 2003.

4. **Limited Waiver from Proportionality Provision.** For the purpose of determining proportional payments of retirement and group insurance benefits for the Texas Agricultural Extension Service, as required in this Act, County Funds paid directly by County Commissioners Courts shall be considered as General Revenue Funds. The Texas Agricultural Extension Service is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.

5. **Increased Inter-agency Collaboration.** The Texas Agricultural Extension Service and the Texas Engineering Extension Service are directed to meet quarterly to generate, implement and manage efforts designed to mutually reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor's Office of Budget and Planning by October 1 of each year summarizing the actions taken to successfully meet the above purposes.

6. **County Extension Agent Salary Increase.** Out of the funds appropriated above in Strategy F.1.1, County Extension Agent Salaries, $138,422 in fiscal year 2002 and $726,720 in fiscal year 2003 shall be used to fund the General Revenue portion of a 5 percent salary increase for County Extension Agents for each year of the biennium. The amount in fiscal year 2002 is intended to supplement any general state employee salary increase for fiscal year 2002. The amount in fiscal year 2003 is intended to fund an additional 5 percent salary increase for County Extension Agents.

7. **Drought Support.** Out of funds appropriated above, the Texas Agricultural Extension Service shall allocate full-time-equivalent positions in such fashion that a hydrologist is assigned to each district office located in a county wherein the annual rainfall is less than 15 inches per year.

8. **Quail Management.** Out of the funds appropriated above in Strategy E.1.1, Program Enhancement, $125,000 in fiscal year 2002 and $125,000 in fiscal year 2003 shall be used for education outreach programs, restoration of habitat and quail research for the purpose of promoting appropriate management practices.

TEXAS ENGINEERING EXPERIMENT STATION

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 62,310,909	$ 62,310,909
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$ 62,310,909	$ 62,310,909

Method of Financing:		
General Revenue Fund	$ 12,429,217	$ 12,429,217
Federal Funds	28,406,843	28,406,843
Research-related Indirect Cost Recovery, estimated	3,618,921	3,618,921
Interagency Contracts	6,309,254	6,309,254
Other Funds, estimated	11,546,674	11,546,674
Total, Method of Financing	$ 62,310,909	$ 62,310,909
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	704.5	704.5
Number of Full-Time-Equivalent Positions (FTE)-Total	948.9	948.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: ENGINEERING RESEARCH		
To conduct basic and applied research in engineering and related fields which addresses critical state and national issues, supports industrial and public systems, enhances higher education and promotes economic development.		
Outcome (Results/Impact):		
Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)	13	13.3
Total Dollar Volume of Research (Millions)	107	111
Number of Formal License Agreements	11	11
A.1.1. Strategy: RESEARCH DIVISIONS	$ 30,966,443	$ 30,966,443
Develop and support disciplinary and cross-disciplinary research programs, centers, institutes, and new initiatives		
Output (Volume):		
Dollar Volume of Research (Millions)	43.1	44
Number of Research Projects	3,131	3,193
A.1.2. Strategy: MULTI-INSTITUTIONAL OUTREACH	$ 16,408,422	$ 16,408,422
Collaborate with academic institutions in Texas, the nation and elsewhere in research and development activities and provide research and grant writing outreach across the State		
Output (Volume):		
Number of Collaborative Initiatives	1,150	1,150
Dollar Volume of Activities (Millions)	31.4	32
A.2.1. Strategy: TECHNOLOGY TRANSFER	$ 540,179	$ 540,179
Provide intellectual property assistance to the research programs for commercial application		
Output (Volume):		
Number of Patent Applications	45	45
A.3.1. Strategy: EDUCATIONAL PROGRAMS	$ 1,509,230	$ 1,509,230
Provide programs and opportunities for the participation of students, especially minorities and women, in research and education programs		
Output (Volume):		
Number of Students from Underrepresented Groups Participating in Agency Activities	4,265	4,350

TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

Total, Goal A: ENGINEERING RESEARCH	$ 49,424,274	$ 49,424,274
B. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
B.1.1. Strategy: PROGRAM ENHANCEMENT Provide funding to improve agency's operational and programmatic efficiency.	$ 267,016	$ 267,016
C. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
C.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums	$ 3,453,532	$ 3,453,532
C.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance	$ 164,550	$ 164,550
C.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 21,112	$ 21,112
C.1.4. Strategy: O.A.S.I Provide funding for O.A.S.I.	$ 1,070,729	$ 1,070,729
C.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM Optional Retirement Program Differential.	$ 90,267	$ 90,267
Total, Goal C: STAFF BENEFITS	$ 4,800,190	$ 4,800,190
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 4,062,263	$ 4,062,263
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 3,757,166	$ 3,757,166
Total, Goal D: INDIRECT ADMINISTRATION	$ 7,819,429	$ 7,819,429
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$ 62,310,909	$ 62,310,909
Method of Financing:		
General Revenue Fund	$ 12,429,217	$ 12,429,217
Federal Funds	28,406,843	28,406,843
Research-related Indirect Cost Recovery, estimated	3,618,921	3,618,921
Interagency Contracts	6,309,254	6,309,254
Other Funds, estimated	11,546,674	11,546,674
Total, Method of Financing	$ 62,310,909	$ 62,310,909

2. **Offshore Technology Research Center.** Out of the funds appropriated above in Strategy A.1.1, Research Divisions, $232,984 in fiscal year 2002 and $232,984 in fiscal year 2003 is for the purpose of supporting the Offshore Technology Research Center. A further $267,016 in fiscal year 2002 and $267,016 in fiscal year 2003 out of Strategy B.1.1, Program Enhancement, is dedicated to supporting the Offshore Technology Research Center.

TEXAS TRANSPORTATION INSTITUTE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 28,966,340	$ 29,219,606
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$ 28,966,340	$ 29,219,606
Method of Financing:		
General Revenue Fund	$ 4,688,204	$ 4,688,204
State Highway Fund No. 006	500,000	500,000
Federal Funds	3,145,717	3,145,717
Appropriated Receipts	5,177,584	5,246,603
Research-related Indirect Cost Recovery, estimated	1,400,345	1,414,348
Interagency Contracts	14,054,490	14,224,734
Total, Method of Financing	$ 28,966,340	$ 29,219,606
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	414.0	416.0
Number of Full-Time-Equivalent Positions (FTE)-Total	464.0	467.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: TRANSPORTATION RESEARCH		
To identify and solve transportation research problems, to disseminate the results, and to enhance the relevance and quality of transportation education in Texas.		
Outcome (Results/Impact):		
Dollar Volume of Research Studies Performed	26,815,500	27,083,655
Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)	12.2	12.2
A.1.1. Strategy: SPONSORED RESEARCH	$ 18,728,613	$ 18,905,459
Submit research proposals and develop programs to secure funded contracts from sources, including: TxDOT, USDOT, and other state and federal agencies, other states, regional and local governments, and private sector entities and to support transportation-related educational programs within the Texas A&M University System and other Texas university systems.		
Output (Volume):		
Number of TTI Patented Safety Devices Installed	170,000	180,000
Number of Students Involved in TTI Education and Research Activities	168	169
External Research Dollars Brought to the State of Texas	5,600,000	5,600,000
A.1.2. Strategy: NATIONAL CENTERS	$ 3,668,212	$ 3,702,844
Submit research proposals and develop programs within the National Centers to enhance and promote advanced transportation-related educational and research programs within the Texas A&M University System and other Texas university systems.		

TEXAS TRANSPORTATION INSTITUTE
(Continued)

Output (Volume):		
Number of Students Involved in TTI Education and Research Activities	44	45
External Research Dollars Brought to the State of Texas	3,120,000	3,170,000
A.1.3. Strategy: TRANSPORTATION SAFETY CENTER Submit research proposals and develop programs to foster collaborative research ultimately relating to the reduction of mortality rates on Texas roadways.	$ 500,000	$ 500,000
Total, Goal A: TRANSPORTATION RESEARCH	$ 22,896,825	$ 23,108,303
B. Goal: PROGRAM ENHANCEMENT To enhance the agency's programmatic efforts to better serve the needs of Texans.		
B.1.1. Strategy: PROGRAM ENHANCEMENT Provide funding to improve agency's operational and programmatic efficiency.	$ 102,590	$ 102,590
C. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
C.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$ 1,141,017	$ 1,151,787
C.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 85,810	$ 86,620
C.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 14,737	$ 14,877
C.1.4. Strategy: OASI Provide funding for OASI.	$ 978,756	$ 987,994
Total, Goal C: STAFF BENEFITS	$ 2,220,320	$ 2,241,278
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 2,206,105	$ 2,226,935
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 1,540,500	$ 1,540,500
Total, Goal D: INDIRECT ADMINISTRATION	$ 3,746,605	$ 3,767,435
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$ 28,966,340	$ 29,219,606
Method of Financing:		
General Revenue Fund	$ 4,688,204	$ 4,688,204
State Highway Fund No. 006	500,000	500,000
Federal Funds	3,145,717	3,145,717
Appropriated Receipts	5,177,584	5,246,603
Research-related Indirect Cost Recovery, estimated	1,400,345	1,414,348
Interagency Contracts	14,054,490	14,224,734
Total, Method of Financing	$ 28,966,340	$ 29,219,606

2. **Transportation Safety Center.** Out of State Highway Fund No. 006, $500,000 in fiscal year 2002 and $500,000 in fiscal year 2003 shall be used to fund the Transportation Safety Center to conduct research, education, and technology transfer to improve the safety of Texas' roads and highways.

TEXAS ENGINEERING EXTENSION SERVICE

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 45,175,238	$ 45,175,240
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$ 45,175,238	$ 45,175,240
Method of Financing:		
General Revenue Fund	$ 6,421,867	$ 6,421,868
Federal Funds	9,675,335	9,675,336
Appropriated Receipts	21,555,237	21,555,237
Extension-related Indirect Cost Recovery, estimated	1,880,013	1,880,013
Interagency Contracts	5,642,786	5,642,786
Total, Method of Financing	$ 45,175,238	$ 45,175,240
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	495.5	495.5
Number of Full-Time-Equivalent Positions (FTE)-Total	495.5	495.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE TRAINING To provide basic and advanced training, technology transfer activities and technical assistance on a statewide basis to meet the needs of governmental and industrial employees. The emphasis on technical training and assistance activities will ensure a qualified and competent workforce for the future.		
Outcome (Results/Impact):		
Percent Increase in the Number of Employees Trained in Response to State Mandated Certification Programs	3%	3%
Percent Increase in the Number of Industrial Employees Participating in Training Programs	3%	3%
A.1.1. Strategy: PUBLIC SECTOR TRAINING Provide training for the public sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.	$ 19,297,095	$ 19,297,094
Output (Volume):		
Number of Individuals Trained	67,000	67,000
Efficiencies:		
Average Number of Student Contact Hours Per Full-time Instructor	15,300	15,300
A.1.2. Strategy: INDUSTRIAL SECTOR TRAINING Provide training for the industrial sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.	$ 7,101,593	$ 7,101,594

Output (Volume):		
Number of Individuals Trained	54,000	54,000
Efficiencies:		
Average Number of Student Contact Hours Per Full-time Instructor	10,500	10,500
Total, Goal A: PROVIDE TRAINING	$ 26,398,688	$ 26,398,688
B. Goal: TECHNOLOGY TRANSFER ASSISTANCE		
To provide special instructions, technology transfer activities and technical assistance on a statewide basis to special population groups.		
B.1.1. Strategy: TECHNOLOGY TRANSFER Operate an efficient technology transfer program through direct services, interactive electronic media, and database search activities.	$ 6,760,161	$ 6,760,161
Output (Volume):		
Number of Initiatives with Communities and Businesses	3,000	3,000
Efficiencies:		
Number of Clients Served Per Service Delivery FTE	80	80
B.1.2. Strategy: PRE-EMPLOYMENT TRAINING Operate a pre-employment training program.	$ 1,463,562	$ 1,463,563
Output (Volume):		
Number of Individuals Trained	3,600	3,600
Efficiencies:		
Average Number of Student Contact Hours Per Full-time Instructor	6,500	6,500
Total, Goal B: TECHNOLOGY TRANSFER ASSISTANCE	$ 8,223,723	$ 8,223,724
C. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
C.1.1. Strategy: PROGRAM ENHANCEMENT Provide funding to improve agency's operational and programmatic efficiency.	$ 139,941	$ 139,941
D. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
D.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$ 1,508,773	$ 1,508,773
D.1.2. Strategy: WORKERS' COMPENSATION INSURANCE Provide funding for workers' compensation insurance.	$ 100,316	$ 100,316
D.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 42,898	$ 42,898
D.1.4. Strategy: OASI Provide funding for OASI.	$ 1,153,965	$ 1,153,966
Total, Goal D: STAFF BENEFITS	$ 2,805,952	$ 2,805,953

TEXAS ENGINEERING EXTENSION SERVICE
(Continued)

E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: INDIRECT ADMINISTRATION	$ 6,567,342	$ 6,567,342
E.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 1,039,592	$ 1,039,592
Total, Goal E: INDIRECT ADMINISTRATION	$ 7,606,934	$ 7,606,934
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$ 45,175,238	$ 45,175,240
Method of Financing:		
General Revenue Fund	$ 6,421,867	$ 6,421,868
Federal Funds	9,675,335	9,675,336
Appropriated Receipts	21,555,237	21,555,237
Extension-related Indirect Cost Recovery, estimated	1,880,013	1,880,013
Interagency Contracts	5,642,786	5,642,786
Total, Method of Financing	$ 45,175,238	$ 45,175,240

2. **Increased Interagency Collaboration.** The Texas Agricultural Extension Service and the Texas Engineering Extension Service are directed to meet quarterly to generate, implement, and manage efforts designed to mutually reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor's Office of Budget and Planning by October 1 of each year summarizing the actions taken to successfully meet the above purposes.

TEXAS FOREST SERVICE*

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 22,121,078	$ 21,371,078
Grand Total, TEXAS FOREST SERVICE	$ 22,121,078	$ 21,371,078
Method of Financing:		
General Revenue Fund	$ 12,258,802	$ 11,508,802
Federal Funds	3,258,191	3,258,191
Interagency Contracts	200,000	200,000
Other Funds, estimated	2,604,085	2,604,085
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,800,000	3,800,000
Total, Method of Financing	$ 22,121,078	$ 21,371,078
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	344.0	344.0
Number of Full-Time-Equivalent Positions (FTE)-Total	344.0	344.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

*See also House Bill 2914.

TEXAS FOREST SERVICE
(Continued)

A. Goal: DEVELOP FOREST RESOURCES				
To assure maximum development of the forest and tree resources throughout Texas and protect human life, the total forest environment and other rural lands and property from damage by wildfire, forest insects, diseases and other natural and man-caused factors.				
Outcome (Results/Impact):				
Saved-to-lost Ratio of Resource and Property Values from Wildfire		8.5		8.5
Number of Trees Saved from Spread of Oak Wilt Disease		33,500		33,500
Number of Acres Protected through Windbreak Plantings		10,000		10,000
A.1.1. Strategy: WILDFIRE AND EMERGENCY PROGRAM	$	9,870,068	$	9,870,068
Provide statewide leadership for an effective forest and rural land wildfire prevention, detection, and suppression program and emergency response management.				
Output (Volume):				
Number of Community Assists		2,400		2,400
Number of Contact Hours of Firefighter Training		24,000		24,000
Number of Hours Spent for Emergency Response		90,000		90,000
A.1.2. Strategy: FOREST INSECTS AND DISEASES	$	603,937	$	603,937
Provide statewide leadership in the early detection, landowner notification, and control of major forest and tree insects and diseases.				
Output (Volume):				
Number of Property Owners Provided with Oak Wilt Information		9,000		9,000
A.2.1. Strategy: FORESTRY LEADERSHIP	$	6,262,120	$	5,512,120
Provide professional forestry leadership and markets for nonindustrial private forest resources.				
Output (Volume):				
Number of Acres of Reforestation on Nonindustrial Private Forestland in East Texas		60,950		60,950
Number of Resource Development Assists		3,936		3,936
A.2.2. Strategy: ENVIRONMENTAL ENHANCEMENT	$	1,929,219	$	1,929,219
Provide statewide leadership in environmental enhancement through management and conservation of tree and forest resources.				
Output (Volume):				
Number of Community Assists		510		510
Number of Windbreak Seedlings Planted		220,000		220,000
Total, Goal A: DEVELOP FOREST RESOURCES	$	18,665,344	$	17,915,344
B. Goal: PROGRAM ENHANCEMENT				
To enhance the agency's programmatic efforts to better serve the needs of Texans.				
B.1.1. Strategy: PROGRAM ENHANCEMENT	$	250,905	$	250,905
Provide funding to improve agency's operational and programmatic efficiency.				
C. Goal: STAFF BENEFITS				
To provide staff benefits to eligible employees and retirees pursuant to state law.				
C.1.1. Strategy: STAFF GROUP INSURANCE	$	509,101	$	509,101
Provide funding for staff group insurance premiums.				

C.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 57,330	$ 57,330
C.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$ 11,466	$ 11,466
C.1.4. Strategy: OASI Provide funding for OASI.	$ 877,037	$ 877,037
C.1.5. Strategy: HAZARDOUS DUTY PAY Provide funding for hazardous duty pay.	$ 8,500	$ 8,500
Total, Goal C: STAFF BENEFITS	$ 1,463,434	$ 1,463,434
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,699,450	$ 1,699,450
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 41,945	$ 41,945
Total, Goal D: INDIRECT ADMINISTRATION	$ 1,741,395	$ 1,741,395
Grand Total, TEXAS FOREST SERVICE	$ 22,121,078	$ 21,371,078
Method of Financing:		
General Revenue Fund	$ 12,258,802	$ 11,508,802
Federal Funds	3,258,191	3,258,191
Interagency Contracts	200,000	200,000
Other Funds, estimated	2,604,085	2,604,085
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,800,000	3,800,000
Total, Method of Financing	$ 22,121,078	$ 21,371,078

2. **Overtime Payments, Contingency.** Included in the appropriation above, $335,223 for each year of the biennium is for the sole purpose of paying mandatory overtime expenses of non-exempt employees of the Texas Forest Service when such overtime is incurred in emergency response activities. It is further provided that payments from this appropriation shall be made only upon overtime payroll vouchers submitted to the State Comptroller. Any balances remaining as of August 31, 2001 are hereby appropriated for the same purpose for the biennium beginning September 1, 2001, and balances remaining as of August 31, 2002 are hereby appropriated for fiscal year 2003.

3. **Texas Wildfire Protection Plan.** Out of the funds appropriated above in Strategy A.1.1, Wildfire and Emergency Program, $3,800,000 from the Insurance Companies Maintenance Tax and Insurance Department Fees Account 8042 and $200,000 in oil overcharge funds in each year of the biennium shall be used for the Texas Wildfire Protection Plan. Any unexpended balances remaining as of August 31, 2002, are hereby appropriated for the same purpose for fiscal year 2003.

4. **Pay for Regular Compensatory Time.** The Texas Forest Service, notwithstanding any other provisions of law, may pay its FLSA exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with an emergency and when the taking of regular compensatory time off would be disruptive to normal business functions.

5. **West Texas Nursery.** Out of the funds appropriated above in Strategy A.2.1, Forestry Leadership, $750,000 in fiscal year 2002 shall be used to pay relocation and expansion expenses for the West Texas Nursery. Any unexpended balances remaining as of August 31, 2002 are hereby appropriated for the same purpose for fiscal year 2003.

TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 3,583,569	$ 3,371,544
Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	$ 3,583,569	$ 3,371,544
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	92.1	92.1
Number of Full-Time-Equivalent Positions (FTE)-Total	153.6	153.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: WILDLIFE DAMAGE MANAGEMENT		
To protect the resources, property, and well-being of Texans from damage caused by or related to the activities of wildlife species.		
Outcome (Results/Impact):		
Percent of Texas Counties Receiving Direct Wildlife Damage Management Assistance	85%	85%
Percent of Texas Counties Receiving Zoonosis Monitoring Assistance	35%	35%
Percent of Texas Counties Receiving Wildlife Damage Management Technical Assistance	88%	88%
A.1.1. Strategy: DIRECT CONTROL ASSISTANCE	$ 3,149,099	$ 2,940,351
To provide operational direct control assistance on a cooperative basis for the protection of resources and human health.		
Output (Volume):		
Number of Specimen Samples Taken for Zoonosis Monitoring	5,625	5,625
Number of Properties Provided Wildlife Damage Management Assistance	6,000	6,000
A.2.1. Strategy: TECHNICAL ASSISTANCE	$ 347,423	$ 343,904
To provide the general public with a consistent source of technical assistance and information on the proper handling of specific wildlife problems and education concerning the necessity for wildlife damage management.		
Output (Volume):		
Number of Technical Assistance Projects (i.e., Personal, Phone, and Written Consultations) Conducted	10,500	10,500
Total, Goal A: WILDLIFE DAMAGE MANAGEMENT	$ 3,496,522	$ 3,284,255
B. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
B.1.1. Strategy: PROGRAM ENHANCEMENT	$ 75,153	$ 75,153
Provide funding to improve agency's operational and programmatic efficiency.		

TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE
(Continued)

C. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
C.1.1. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 11,894	$ 12,136
Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	$ 3,583,569	$ 3,371,544

2. **Beaver Control - East Texas.** Out of the funds appropriated above, $200,000 for fiscal year 2002 and $200,000 for fiscal year 2003 shall be used for Beaver Control - East Texas.

3. **Feral Hog Control.** Out of the funds appropriated above in Strategy A.1.1, Direct Control Assistance, $50,000 for fiscal year 2002 and $50,000 for fiscal year 2003 shall be used for Feral Hog Control.

4. **All-terrain Vehicle Replacement.** Out of the funds appropriated above in Strategy A.1.1, Direct Control Assistance, $60,000 in fiscal year 2002 shall be used to purchase new all-terrain motor vehicles. Any unexpended balances remaining as of August 31, 2002 are hereby appropriated for the same purpose for fiscal year 2003.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 10,954,742	$ 9,554,742
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$ 10,954,742	$ 9,554,742
Method of Financing:		
General Revenue Fund	$ 5,831,508	$ 4,431,507
Drug Testing Laboratory Fee Revenue, estimated	1,030,210	1,030,210
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	4,093,024	4,093,025
Total, Method of Financing	$ 10,954,742	$ 9,554,742
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	155.0	155.0
Number of Full-Time-Equivalent Positions (FTE)-Total	155.0	155.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

A. Goal: DIAGNOSTIC AND DRUG TESTING		
To continue to provide a high-quality veterinary diagnostic service, drug testing, export testing and disease surveillance program to the animal industries.		
Outcome (Results/Impact):		
Number of Diagnostic Services Rendered	121,500	121,500
Percent of Animals Testing Drug Free	99.5%	99.5%
A.1.1. Strategy: DIAGNOSTIC SERVICES	$ 6,740,595	$ 6,740,594
Provide diagnostic service and disease surveillance.		
Output (Volume):		
Number of Cases Submitted and Examined	160,000	160,000
A.2.1. Strategy: DRUG TESTING SERVICE	$ 875,452	$ 875,452
Provide drug testing service primarily for the pari-mutuel animal racing industries.		
Output (Volume):		
Number of Animals Tested	26,500	26,500
Total, Goal A: DIAGNOSTIC AND DRUG TESTING	$ 7,616,047	$ 7,616,046
B. Goal: PROGRAM ENHANCEMENT		
To enhance the agency's programmatic efforts to better serve the needs of Texans.		
B.1.1. Strategy: PROGRAM ENHANCEMENT	$ 84,557	$ 84,557
Provide funding to improve agency's operational and programmatic efficiency.		
C. Goal: STAFF BENEFITS		
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
C.1.1. Strategy: STAFF GROUP INSURANCE	$ 332,361	$ 332,362
Provide funding for staff group insurance premiums.		
C.1.2. Strategy: WORKERS' COMP INSURANCE	$ 27,732	$ 27,732
Provide funding for workers' compensation insurance.		
C.1.3. Strategy: UNEMPLOYMENT INSURANCE	$ 3,037	$ 3,037
Provide funding for unemployment insurance.		
C.1.4. Strategy: OASI	$ 232,228	$ 232,228
Provide funding for OASI.		
C.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM	$ 51,225	$ 51,225
Optional retirement program differential.		
Total, Goal C: STAFF BENEFITS	$ 646,583	$ 646,584
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 655,035	$ 655,035
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$ 1,952,520	$ 552,520
Total, Goal D: INDIRECT ADMINISTRATION	$ 2,607,555	$ 1,207,555
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$ 10,954,742	$ 9,554,742

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
(Continued)

Method of Financing:		
General Revenue Fund	$ 5,831,508	$ 4,431,507
Drug Testing Laboratory Fee Revenue, estimated	1,030,210	1,030,210
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	4,093,024	4,093,025
Total, Method of Financing	$ 10,954,742	$ 9,554,742

2. **Drug Testing Laboratory Reimbursement.** From fees collected from the drug testing program for race horses and dogs, the Texas Veterinary Medical Diagnostic Laboratory shall transfer funds to the General Revenue Fund to the extent possible during the 2002–2003 and 2004–2005 biennia to reimburse fully the amounts provided for start-up funding for the drug testing laboratory. It is the intent of the Legislature that all transfers be complete on or before August 31, 2005.

3. **Infrastructure Support.** Out of the funds appropriated above in Strategy D.1.2, Infrastructure Support, $1,400,000 in fiscal year 2002 shall be used to purchase a new facility in Center, build a new cold storage area in the College Station laboratory and install a new air conditioning unit in the Amarillo facility. Any unexpended balances remaining as of August 31, 2002 are hereby appropriated for the same purpose for fiscal year 2003. Furthermore, out of the funds appropriated above in Strategy D.1.2, Infrastructure Support, $552,520 in fiscal year 2002 and $552,520 in fiscal year 2003 shall be used for purposes of infrastructure support and maintenance.

TEXAS FOOD AND FIBERS COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
1. Educational and General State Support	$ 5,071,436	$ 5,143,489
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 5,071,436	$ 5,143,489
Method of Financing:		
General Revenue Fund	$ 1,550,294	$ 1,525,293
Federal Funds	180,308	181,412
Other Funds, estimated	3,340,834	3,436,784
Total, Method of Financing	$ 5,071,436	$ 5,143,489
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3.0	3.0
Number of Full-Time-Equivalent Positions (FTE)-Total	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$66,459	$66,459

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: SUPPORT AND COORDINATE RESEARCH		
To support and coordinate cooperative research relating to the production, use, and quality of Texas natural fibers and food protein products at Texas universities.		
Outcome (Results/Impact):		
Percent Change in the Dollar Volume of Research and Development Projects Conducted	1%	0%
A.1.1. Strategy: RESEARCH AND DEVELOPMENT	$ 4,880,031	$ 4,952,084
Review, coordinate, and fund research and development programs that expand the use and improve the quality of Texas cotton, wool, mohair, oilseeds, and food proteins.		
Output (Volume):		
Number of Research and Development Projects	46	46
Number of Formal Published Research Reports	175	175
Efficiencies:		
Leverage Ratio of General Revenue to Other Research Funds	2.82	2.9
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 191,405	$ 191,405
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 5,071,436	$ 5,143,489
Method of Financing:		
General Revenue Fund	$ 1,550,294	$ 1,525,293
Federal Funds	180,308	181,412
Other Funds, estimated	3,340,834	3,436,784
Total, Method of Financing	$ 5,071,436	$ 5,143,489

2. **Contract Requirements.** The Texas Food and Fibers Commission is hereby authorized to contract with any institution pursuant to the provisions of VTCA, Agriculture Code, Chapter 42. All funds received by the Texas Food and Fibers Commission in the form of grants and/or gifts are hereby appropriated to the specific purpose or purposes authorized by the grantor, and may be withdrawn from the State Treasury; provided, however, that the Texas Food and Fibers Commission shall not accept and place in the State Treasury any grants as provided under this paragraph which would cause the violation of the specific or general provisions of this Act. It is further provided that where any grant exceeds the total cost of the specific project for which it was made, such excess may be returned to the grantor and such excess amounts are hereby appropriated for this purpose.

3. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above, $3,000 in fiscal year 2002 and $3,000 in fiscal year 2003 is limited to the following advisory committee: Industry Advisory Committee.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT - PUBLIC EDUCATION Provide an actuarially sound level of funding as defined by state law for employees of public education agencies. Estimated.	$ 6,360,381	$ 6,487,589
A.1.2. Strategy: RETIREMENT- HIGHER EDUCATION Provide an actuarially sound level of funding as defined by state law for employees of higher education institutions. Estimated.	$ 517,904	$ 528,262
A.1.3. Strategy: GROUP INSURANCE - PUBLIC EDUCATION Provide a basic health care and life insurance program for general state employees of public education agencies. Estimated.	$ 14,948,970	$ 16,938,969
A.1.4. Strategy: GROUP INSURANCE - HIGHER EDUCATION Provide a basic health care and life insurance program for employees of higher education institutions. Estimated.	$ 1,257,502	$ 1,420,604
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 23,084,757	$ 25,375,424
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 23,084,757	$ 25,375,424
Method of Financing:		
General Revenue Fund, estimated	$ 21,673,369	$ 23,940,918
Federal Funds, estimated	1,285,725	1,298,515
Other Special State Funds, estimated	125,663	135,991
Total, Method of Financing	$ 23,084,757	$ 25,375,424

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER - PUBLIC ED Provide an employer match for Social Security contributions for employees of public education agencies. Estimated.	$ 6,179,470	$ 6,303,060
A.1.2. Strategy: STATE MATCH-EMPLOYER-HIGHER ED Provide an employer match for Social Security contributions for employees of institutions of higher education. Estimated.	$ 195,928,304	$ 204,734,632

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

A.1.3. Strategy: BRP – PUBLIC EDUCATION Provide Benefit Replacement Pay to eligible employees of public education agencies. Estimated.	$ 1,207,456	$ 1,120,096
A.1.4. Strategy: BRP - HIGHER EDUCATION Provide Benefit Replacement Pay to eligible employees of higher education agencies. Estimated.	$ 161,440	$ 149,760
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 203,476,670	$ 212,307,548
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 203,476,670	$ 212,307,548
Method of Financing:		
General Revenue Fund, estimated	$ 166,442,351	$ 173,755,900
General Revenue - Dedicated, estimated	30,405,743	31,774,001
Federal Funds, estimated	1,238,996	1,206,188
Other Special State Funds, estimated	5,389,580	5,571,459
Total, Method of Financing	$ 203,476,670	$ 212,307,548

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 141,700	$ 1,128,900 & UB
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 141,700	$ 1,128,900

LEASE PAYMENTS

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS - PUBLIC EDUCATION Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for public education agencies on facilities financed through the Texas Public Finance Authority.	$ 6,628,879	$ 6,602,221 & UB
A.1.2. Strategy: LEASE PAYMENTS - HIGHER EDUCATION Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for higher education agencies and institutions on facilities financed through the Texas Public Finance Authority.	$ 1,487,935	$ 1,492,321 & UB
Total, Goal A: FINANCE CAPITAL PROJECTS	$ 8,116,814	$ 8,094,542
Grand Total, LEASE PAYMENTS	$ 8,116,814	$ 8,094,542

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

The Special Provisions which follow shall apply only to agencies of higher education:

Sec. 2. **Local Funds Appropriated**. All balances of local funds except for any identifiable general revenue in the local funds of the state institutions of higher education named in this Article, as those funds are defined in VTCA, Education Code § 51.009(a), at the close of the fiscal year ending August 31, 2001, including balances in their local revolving funds at that time, and the income to said funds during the fiscal years beginning September 1, 2001 and 2002, are hereby appropriated for the operation, maintenance, and improvement of the respective state institutions. Institutional funds, as those funds are defined in VTCA, Education Code § 51.009(b), shall be expended as authorized by the laws governing the use of the funds, and unless specifically included or identified, are exempt from the Article III and IX Special Provisions of this Act.

All local funds shall be subject to the special and general provisions of Articles III and IX except where certain local funds are specifically exempted from these provisions by a provision herein or by specific statutory authority.

Sec. 3. **Definition of Terms.**

1. As used in this Act, the term "general academic institutions" shall mean only the following institutions:

   The University of Texas at Arlington
   The University of Texas at Austin
   The University of Texas at Dallas
   The University of Texas at El Paso
   The University of Texas - Pan American
   The University of Texas at Brownsville
   The University of Texas of the Permian Basin
   The University of Texas at San Antonio
   The University of Texas at Tyler
   Texas A&M University
   Texas A&M University at Galveston
   Prairie View A&M University
   Tarleton State University
   Texas A&M University - Corpus Christi
   Texas A&M University - Kingsville
   Texas A&M International University
   West Texas A&M University
   Texas A&M University - Commerce
   Texas A&M University - Texarkana
   University of Houston
   University of Houston - Clear Lake
   University of Houston - Downtown
   University of Houston - Victoria
   Midwestern State University
   University of North Texas
   Stephen F. Austin State University
   Texas Southern University
   Texas Tech University
   Texas Woman's University
   Angelo State University
   Lamar University
   Lamar Institute of Technology
   Lamar State College - Orange

Lamar State College - Port Arthur
Sam Houston State University
Southwest Texas State University
Sul Ross State University, including:
Sul Ross State University Rio Grande College

2. "Educational and General Funds" are those funds defined in VTCA, Education Code § 51.009(c) and General Revenue Fund appropriations.

Sec. 4. **Transfer Provisions.**

1. **Intercomponent Transfers.** With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system administration, among academic component institutions and their associated system administration, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of nursing, pharmacy and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University Service Agencies to Texas A&M University.

2. **Health to Academic Intercomponent Transfers with LBB Prior Approval.** As an exception to the provisions in Subsection 1., transfers may be made with prior approval of the Governor and Legislative Budget Board from medically-related components to general academics if it does not diminish the academic programs of the medically-related component or result in increased fees to patients at the component. The systems shall furnish whatever documentation may be required by the Governor and Legislative Budget Board to assure these conditions are met.

3. **Revenue Enhancement and Transfer Notification.** The Legislature instructs The University of Texas System to enhance local funds revenues to reduce the need for general revenue funds. The Legislature instructs The University of Texas System to give 30 days notice to the Legislative Budget Board and Governor prior to transferring local funds from any System hospital. Furthermore, notwithstanding the provisions of subsections 1 and 2 above, The University of Texas System Board of Regents shall not transfer funds from health institutions delivering patient care if such a transfer would result in a decrease in the quality or amount of indigent patient care offered by the affected institution.

4. **Reporting of Transfers.** Any transfers made pursuant to Subsections 1, 2, and 3, whether general revenue or local funds in nature, shall be reported in the Legislative Appropriations Request for the biennium beginning September 1, 2003.

5. **Tuition Revenue Bond and Revenue Bond Transfers.** Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION
(Continued)

Sec. 5. **Salary and Benefit Provisions.**

1. **Prorated Salaries Authorized.** Any employees who distribute their time and duties between general administration, instruction, organized activities related to instruction, and the management of auxiliary enterprises, may receive their total salary payments in proportionate parts from such activities and from the appropriated or available funds therefore.

2. **President Salaries.** Out of the educational and general funds appropriated to the general academic institutions, health centers, health science centers, and medical education programs, an amount NTE $65,945 in 2002 and $65,945 in 2003 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a house owned by the institution, center, or program is not available, an amount NTE $7,200 per year from the appropriation to the institution, center, or program, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.

3. **Chancellor Salaries.** Out of the funds appropriated, transferred, or contracted to the system offices, an amount NTE $70,231 in 2002 and $70,231 in 2003 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required, may be provided in lieu of house and utilities.

4. **Merit Authorization.** It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.

5. **Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education.** Notwithstanding any other provisions of this act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities.

6. **Group Insurance Premiums.** For the biennium ending August 31, 2003, there is hereby appropriated such amounts, from local funds or educational and general income available to institutions of higher education, as may be necessary to pay the proportional share of the State's contributions for Staff Group Health Insurance Premiums. Funds appropriated by this subsection may be transferred by those institutions not retaining separate insurance programs to the Employees Retirement System at appropriate intervals to pay the proportional share of the group insurance premiums.

7. **Higher Education Institutions Participating in the Employees Retirement System Group Insurance Program.** General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education participating in the Employees Retirement System Group Insurance Program paying for health insurance costs from non-General Revenue Funds shall provide the same levels of premium-sharing for SKIP enrollees as provided for those higher education employees with health insurance paid from General Revenue Funds.

Sec. 6. **Expenditure Provisions**. The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted:

1. **Annual Operating Budgets Required.** It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before September 1, 2001 and 2002, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public inspection. Copies of each budget shall also be filed with the Legislative Budget Board, the Executive Budget Office, and the Texas Higher Education Coordinating Board by November 1 of each fiscal year.

2. **Clearing Accounts.** At their option, the institutions may use their local depository bank account in lieu of the special clearing account, authorized by Education Code, § 51.008(b), provided that the general requirements set out in therein, for deposits and transfers to the state treasury, are complied with.

3. **Revolving Funds.**

   a. Each institution affected by this section, at its option, is hereby authorized to maintain a revolving fund to facilitate the payment of nominal expenses and to pay bills within cash discount periods. The institutions may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls. Disbursements from the revolving funds are to be reimbursed from respective items of educational and general appropriation made herein, the Comptroller of Public Accounts being hereby authorized to make such reimbursements on claims filed with him by the institutions under his regularly prescribed procedures except that one voucher and one warrant may cover any number of claims for this purpose. These reimbursement claims shall meet the same requirements as other claims against state appropriations, and each institution shall prepare such a reimbursement claim as at the close of business on the last day of each month and as many times during the month as may be expedient in order to make unnecessary the maintaining of an unreasonably large revolving fund.

   b. The respective governing board shall determine the amounts of the revolving funds to be set up for each institution, and may increase or decrease the amounts if necessary. Such governing board shall designate a depository bank for each revolving fund, and shall specify the officers and/or employees to sign checks drawn on each such fund. The depository bank for each revolving fund shall be required to secure the deposit as provided by law.

   c. Appropriations to all institutions of higher education and systems, except funds identified exclusively for salaries, may be used to reimburse any revolving fund operated for the benefit of one or more parts or component units of an institution or system, such as a motor pool for managing automotive vehicles authorized by this Act, a feed supply center, an office supply or laboratory supply center, a computer center, or any other operations of a similar nature established by authority of the governing board of said institution or system.

4. **Local Depositories.** The governing boards of the respective institutions for which appropriations are made in this Article are hereby authorized to select depository banks for the safekeeping of funds which are authorized, by statute, to be maintained outside the state treasury. The boards shall require depository banks to furnish adequate surety bonds or securities to be posted for the assurance of safety of such deposits. The depository bank or banks so selected are hereby authorized to pledge their securities for assurance of safety for such funds. All such local funds shall be deposited in these depositories within seven (7) days from date of collection. The governing boards may require the depository so designated and

selected to pay interest on deposits at a rate to be agreed upon by said depositories and said boards.

5. **Investment Reports.**

   a. The governing board of each of the educational institutions named in this Article shall file with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the Governor's Office a quarterly report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor's Office. Copies of such reports shall be available for public inspection.

   b. The governing boards of each educational institution named in this Article must adopt formal investment policies. Each governing board shall submit to the Legislative Budget Board and State Auditor's Office a copy of their investment policy by December 31 of each year.

6. **Central Services Accounts.**

   a. Out of funds appropriated in this Article, the governing boards of the university systems and their component units, and institutions of higher education may employ persons to serve two or more parts or component units of the system or institution and may pay their salaries in whole or in part from the informational items of appropriation made herein to any component unit. The governing boards are authorized to establish accounts from which salaries and expenses for the administration and supervision of the units of the system or institution may be paid and to require the units, including any other agency the administration of which it may be charged with by law, to pay into this account from any general revenue, local, or institutional funds their proportionate share as determined by the board for the expense of such administration and supervision. The Comptroller of Public Accounts is authorized to set up an account for each of the systems or institutions and to deposit in the account funds to the amount authorized by the governing boards and executive heads of the respective units, from funds appropriated by the Legislature to the units for noninstructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against such accounts based on vouchers submitted by the systems or institutions in payment of salaries, maintenance, equipment or travel incidental to the administration and supervision of the respective units.

   b. The systems and institutions whose governing boards and component units are subject to the above are authorized to establish the following accounts:

      Texas A&M University System Central Services Account
      The University of Texas System Central Services Account
      University of Houston System Central Services Account
      Texas Tech University System Central Services Account
      University of North Texas System Central Services Account
      Texas State University System Central Services Account

   c. Travel expense incurred by a person employed by one unit of an above system or institution in connection with service to the other units may be reimbursed by the unit for which such services are performed or proportionately if more than one such unit is involved.

7. **Utility Revolving Funds.** The governing boards of Texas Woman's University, West Texas A&M University, all components of the University of Houston System, Texas State University System, Texas Tech University System, University of North Texas System, and The University of Texas System are authorized to use appropriated funds, except funds expressly identified for

salaries, to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse any revolving fund now or hereafter established in connection with providing utility services to any building or facility of the college or university, in accordance with the general principles established in VTCA, Education Code § 55.11, and the creation and maintenance of any such revolving fund is hereby authorized.

8. **Appropriation Expenditure Authorization.**

   a. The educational and general appropriations made in this Act to the general academic teaching institutions, health related institutions and Texas State Technical College may be expended for the following purposes, including, but not limited to: Instruction; Research; Public Service; Academic Support; Student Services; Institutional Support; Operation and Maintenance of Plant; Scholarships; Staff Benefits; Organized Activities; and Patient Care. Major repairs and rehabilitation of buildings and facilities may be purchased from appropriated funds, but may not be purchased from general revenue funds that are not expressly identified or allocated for such purposes.

   b. No educational and general funds appropriated to any institution or agency named in this article may be expended on auxiliary enterprises, unless specifically authorized in this Act.

9. **Tuition Revenue Bonds and Revenue Bonds.** Funds clearly identified in separate informational strategies to the general academic teaching institutions and health sciences centers for revenue or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by VTCA, Education Code § 55.17 through § 55.174 and § 55.19, and any additional authorization enacted by the Seventy-seventh Legislature. Any funds in excess of the amount expended for debt retirement shall be reverted to the General Revenue Fund at the end of each fiscal year.

Sec. 7. **Recruitment of Students.** No funds appropriated by this Act may be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

Sec. 8. **Television Stations Prohibited.** None of the educational and general funds appropriated in this Article may be expended for the acquisition, construction or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the institutions of higher education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent institutions with existing public broadcasting or transmitter stations to use them for educational purposes, or to prevent the continuance of operating arrangements with existing transmitter stations for purely educational purposes; or to prevent cooperative arrangements with public broadcast stations.

Sec. 9. **Intercollegiate Athletics.** The special and general provisions of Articles III and IX of this Act shall not apply to intercollegiate athletics. The governing boards of the respective institutions of higher education shall make such necessary rules and adjustments as may be deemed advisable for the management and operation of such activities; however, no funds under control of intercollegiate athletics may be used to purchase alcoholic beverages; no educational and general funds appropriated may be used for the operation of intercollegiate athletics; such rules and adjustments shall be designed to complement the rules applicable to other departments of the respective institution and finally, such rules and adjustments shall specifically prohibit violation of National Collegiate Athletic Association (NCAA) or other governing body rules with respect to recruitment of athletes.

Sec. 10. **Prohibition Against Additional Museums.** None of the educational and general funds appropriated in this Article shall be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the

Legislature specifically authorizes such use of educational and general funds. As an exception to this provision, in order to encourage and promote gifts, grants, or donations to institutions of higher education, it is specifically provided that an institution which receives such gifts, grants or donations for the construction or establishment of a museum, which is added to an institution's building inventory after September 1, 1997, may use education and general funds appropriated by this Article for the maintenance and operation of such a museum. This exception applies only to the authority to spend appropriated funds for these purposes; such museum space shall not be included in formula calculations for purposes of determining the amounts of appropriations due for maintenance or operations of institutional facilities.

Sec. 11. **Method of Financing Scholarships.**

1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of VTCA, Education Code § 56.031 to § 56.039, cited as the Texas Public Educational Grants Program.

2. Out of the funds identified by this Article in the informational strategies described as "Scholarships," the respective governing boards may allocate and expend for student scholarships and the institutional share required to match Federal Work Study Funds such amounts as the boards may determine; provided, however, that each student receiving such scholarship first shall have utilized any federal grant funds for which the student may reasonably be eligible; and, that such scholarship, when combined with all other grant or gift funds awarded to the student, shall not exceed 70 percent of the reasonable expenses to be incurred by the student in the semester or term for which the scholarship is awarded; and provided, however, that no student shall receive an amount in excess of demonstrated need. The respective governing boards may transfer up to one-half of the amount to be awarded as scholarship to each otherwise eligible student to the Texas Higher Education Coordinating Board for use as matching funds to be awarded to that student through the Texas Public Educational Grants Program.

3. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships, shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller.

4. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

5. Out of the additional funds appropriated for the 2002–03 biennium for the informational strategy described as "Scholarships," it is the intent of the Legislature that the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color or ethnicity of the student recipient.

Sec. 12. **Use of Educational and General Funds for Alumni Activities Prohibited.** None of the educational and general funds appropriated by this Article may be expended by institutions of higher education for the support or maintenance of alumni organizations or activities.

Sec. 13. **Limitation of Nonresident Enrollment in Certain State-supported Professional Schools.**

1. None of the funds appropriated by this Act may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in, any wholly or partially

state-supported medical, dental, or law school which: (a) imposes a limitation on the number of students that it admits, (b) in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) in the same academic semester admits, as either class, nonresidents of the State of Texas in a number greater than 10 percent of the class of which such nonresidents are a part. Limitation of nonresident enrollment at The University of Texas Law School, Texas Tech University School of Law, and the University of Houston Law Center may be increased to 20 percent of the class of which nonresidents are a part provided that the admission of such nonresident students is on the basis of academic merit alone. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10 percent of their classes with non-resident students in the case of medical and dental schools, and 20 percent in the case of The University of Texas Law School, Texas Tech University Law School and the University of Houston Law Center, when the result of admitting a nonresident denies admission to a qualified Texas applicant. This provision shall not apply to the funds appropriated to the Coordinating Board for the funding of Baylor College of Medicine or to funds appropriated for tuition equalization grants for students attending private colleges.

2. In addition, The University of Texas Southwestern Medical Center at Dallas may admit up to 25 competitively recruited medical students in each entering class for a specialized six-year program of clinical and research training designed to lead to the MD and PhD degrees irrespective of whether those students are Texas residents.

3. Texas medical schools may enroll up to 6 competitively recruited medical students, who already possess the DDS degree, in each second year medical school class for a specialized six year program in oral and maxillofacial surgery comprised of the last three years of medical school and a three year residency program irrespective of whether those students are Texas residents.

Sec. 14. **Off-campus Instruction.** General academic institutions may teach courses off campus with the following restrictions:

1. At the conclusion of each fiscal year, the Coordinating Board shall file a report with the Executive Budget Office and the Legislative Budget Board on all general academic institutions concerning off-campus semester credit hours for that fiscal year.

2. Semester credit hours generated at upper level centers authorized by the Legislature or by the Coordinating Board, as well as at Prairie View A&M's Houston nursing program and Texas Woman's University nursing programs in Dallas and Houston are not considered to be off-campus.

3. All courses taught off campus must be taught by a regular faculty member or administrator who is employed at least half-time on the main campus of the institution. The Commissioner of Higher Education may waive this requirement in special cases where institutions can justify the use of a uniquely qualified individual. Allied health and vocational instructors are exempted from this requirement.

Sec. 15. **Medical School Enrollment.** It is the intent of the Legislature that the first year class enrollment of undergraduate medical students in the fiscal years ending August 31, 2002 and August 31, 2003, shall be no less than 200 students at The University of Texas System medical colleges and 100 students at the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center College of Medicine. This provision shall not be construed as requiring any school of medicine to accept an unqualified applicant. In the event that a school of medicine falls below the required first year class enrollment of undergraduate medical students by more than 5 percent for fiscal years 2002 and 2003, the school shall report to the Legislative Budget

Board the reasons for failing to meet the required enrollment. It is the intent of the Legislature that this information be taken into account when preparing the appropriation recommendations for the Seventy-eighth Legislature.

Sec. 16. **Tuition and Other Educational and General Local Fee Collection.** On or before the end of the 20th class day for each regular semester and the 15th class day for each summer session, each institution of higher education shall collect from each student whose semester credit hours are to be included in formula funding calculations all tuition and all fees in accordance with the installment tuition and fee payment plan provided for by VTCA, Education Code, Chapter 54, as amended. Valid contracts with the United States Government for instruction of eligible military personnel, valid contracts with private business and public service–type organizations or institutions such as hospitals, and financial aid awards processed by the financial aid office but not yet issued to the student may be considered as collections thereunder but subject to adjustments after final payment thereof.

Sec. 17. **Compliance with Access and Equity 2000.** It is the intent of the Legislature that institutions of higher education give top priority and consideration to compliance with the spirit and mandates of the Access and Equity 2000.

Sec. 18. **Formula Variable and Educational and General Income Audits.** The Texas Higher Education Coordinating Board in consultation with the State Auditor's Office and the Legislative Budget Board, shall clearly define all variables used by the Seventy-seventh Legislature in arriving at formula appropriations for 2002 and 2003. According to an audit plan developed in consultation with the Coordinating Board and Legislative Budget Board, all variables of selected formulas used in making 2002 and 2003 formula appropriations are subject to audit by the State Auditor. The State Auditor shall report any differences from data submitted by the institutions to the Coordinating Board, the Legislative Budget Board, and the Governor. The Coordinating Board shall then calculate a new appropriations amount for each institution that reported data in conflict with that verified by the Auditor. These calculations shall then be reported to the Legislative Budget Board, Governor, and the Comptroller of Public Accounts and may be used to revise appropriation authority accordingly. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the biennial appropriations related to the variables audited at that institution.

In addition, components of educational and general income reported in the institutional requests for legislative appropriations for fiscal years 2002 and 2003 are subject to audit by the State Auditor.

The State Auditor may request the assistance of an institution's internal auditor in performing the audits described in this section.

Sec. 19. **System Offices Funding Authorized.** Educational and general funds appropriated to components of The University of Texas, Texas A&M University, University of Houston, Texas Tech University, University of North Texas, Texas State University System and Texas State Technical College Systems may be transferred or contracted to system offices to provide support for coordination, administration, and other related services.

Sec. 20. **License Plate Scholarship Program.** In addition to educational and general funds amounts appropriated by this Act, available balances and the portion of fees deposited in the state treasury during the biennium ending August 31, 2003, to the credit of the general academic institutions as provided by VTCA, Transportation Code § 502.270, is appropriated for that period to the general academic teaching institution for which it was credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.

Sec. 21. **Annual Reports of Health Related Institutions Practice Plans.** As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of 120 days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the

Legislative Budget Board, the Legislative Reference Library and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year, showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor's Office for all financial data concerning the health related institutions practice plans.

Sec. 22. **Self-insurance Funds.** Any funds of an institution of higher education used for or allocated to a self-insurance fund authorized by VTCA, Government Code § 2259.001 for a risk otherwise insurable by the institution of higher education shall be treated by the Comptroller of Public Accounts as an expenditure of the respective funds. The self-insurance funds so created shall be considered designated funds as that term is used in § 51.008(b) of the Education Code. Any self-insurance fund reserves so created shall not exceed in amount the maximum value determined to be actuarially sound for each such self-insurance program.

Sec. 23. **Elements of Unsponsored Charity Care.**

1. **Financially Indigent.** Unsponsored charity care shall include unreimbursed services to the financially indigent. Financially indigent shall mean uninsured or underinsured patients accepted for care with no obligation or a discounted obligation to pay for services rendered based on a teaching hospital's or clinic's formal eligibility system which may include: (a) income levels and means testing or other criteria for determining a patient's inability to pay; or (b) other criteria for determining a patient's inability to pay that are consistent with the hospital's or clinic's mission and established policy. The federal poverty level shall serve as an index for the threshold below which patients receiving care at The University of Texas Southwestern Medical Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Health Center at Tyler, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center are deemed financially indigent. Financially indigent services include both noncovered services and contractual allowances for patients eligible for the Medicaid program and for the Children with Special Health Care Needs (formerly known as CIDC) program, services provided under the Maternal and Infant Health Improvement Act (MIHIA), services provided under county indigent care contracts (Sec. 26), and services provided under other state or local government programs with eligibility indexed to the federal poverty level.

2. **Medically Indigent.** Unsponsored charity care shall include unreimbursed services to the medically indigent. Medically indigent shall mean patients who are responsible for their living expenses, but whose medical and hospital bills, after payment by third-party payers, where applicable, exceed: (a) a specified percentage of the patient's annual gross income (i.e., catastrophic medical expenses) in accordance with a teaching hospital or clinic's formal eligibility system in such instances where payment would require liquidation of assets critical to living or earning a living; or (b) the criteria for determining a patient's inability to pay as established by the public health-related institutions listed in Sec. 23, Financially Indigent.

3. **Charity Care Determination.** The determination that a patient is financially or medically indigent shall occur within 120 days of the patient's discharge from the hospital or clinic setting or within 120 days of the third party payor settlement.

4. **Contractual Adjustments.** The contractual adjustments to commercial contracts, managed care contracts, and Medicare for the public health-related institutions listed in Sec. 23, Financially Indigent, shall not be counted as unsponsored charity care.

5. **Bad Debt.** Bad debts shall not be counted as unsponsored charity costs. Bad debts shall include the uncollected billed charges for services rendered to patients who do not qualify under the definition of unsponsored charity care.

Sec. 24. **Unsponsored Charity Care Reporting Requirement.** The public health-related institutions listed in Sec. 23, Financially Indigent, shall include in their biennial legislative appropriations request information including the actual amount of unsponsored charity care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the definition of unsponsored charity care set forth in the section called "Elements of Unsponsored Charity Care."

Sec. 25. **Patient Income Eligibility Guidelines.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall use the federal poverty level indexed at an agreed-upon level as the guideline for determining indigent patient status, and those institutions' eligibility guidelines regarding copayment by patients deemed financially or medically indigent shall be the same.

The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center may use as a basis for reporting indigent care statistical samples derived from indigent care determinations made by their affiliated teaching hospitals and designed to estimate the amounts of charity care provided using the definitions established by The University of Texas hospitals noted above.

Sec. 26. **County Indigent Care Contracts.**

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.

2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 27. **Family Practice Clerkship Funding.** Each medical school or college shall expend the following amounts for the purpose of providing a clerkship in family practice during the third core clinical year pursuant to VTCA, Education Code § 51.918 (d)(1). Funding for these clerkships may include appropriated funds, institutional funds or restricted grant funds. These amounts may not be used to supplant allocations made for other purposes to family practice departments and affiliated family practice residency programs. The required third year family practice clerkship must have a set curriculum and the student must take an exam during the clerkship.

	FY 2002	FY 2003
The University of Texas Southwestern Medical Center at Dallas School of Medicine	$764,000	$764,000
The University of Texas Medical Branch at Galveston School of Medicine	563,624	563,624

The University of Texas Health Science Center at Houston School of Medicine	705,584	705,584
The University of Texas Health Science Center at San Antonio School of Medicine	680,360	680,360
Texas A&M University System Health Science Center	192,400	192,400
University of North Texas Health Science Center	337,620	337,620
Texas Tech University Health Sciences Center School of Medicine	286,302	286,302
Baylor College of Medicine	133,000	133,000

Sec. 28. **Ethics Policy.**

1. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.

2. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 29. **Driscoll Children's Hospital.** No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases or in assuming the direct care of those children. It is legislative intent that this rider language not restrict the traditional referral patterns, utilized by physicians to refer patients to health-related institutions.

Sec. 30. **Participation in Drug Development Research Projects.** A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under § 576.022, Health and Safety Code.

Sec. 31. **Post Tenure Review.** None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

Sec. 32. **General Academic Funding.** Funding for general academic institutions will consist of four formulas and supplemental items.

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION
(Continued)

1. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2002–03 biennium is $56.65.

   Weighting is determined by the following matrix:

	Lower Division	Upper Division	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.96	3.94	12.04	
Science	1.53	3.00	7.17	19.29	
Fine Arts	1.85	3.11	6.51	17.47	
Teacher Ed	1.28	1.96	3.23	9.95	
Agriculture	2.05	2.54	6.64	16.37	
Engineering	3.01	3.46	8.20	21.40	
Home Economics	1.58	2.12	4.34	10.79	
Law					3.22
Social Services	1.64	1.84	5.80	11.92	
Library Science	1.45	1.52	4.22	12.26	
Vocational Training	1.45	2.59			
Physical Training	1.36	1.36			
Health Services	2.87	3.46	6.47	15.98	
Pharmacy	4.00	4.64	9.00	19.11	9.00
Business Admin	1.41	1.59	4.59	13.91	
Optometry			5.46	19.12	7.00
Teacher Ed Practice	2.43	2.57			
Technology	1.99	2.56	6.61		
Nursing	4.91	5.32	6.49	16.32	
Developmental Ed	1.00				

2. **Teaching Experience Supplement.** For the 2002–03 biennium, an additional weight of ten percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.

3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater and thermal energy. The average rate per square foot is $7.36.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

   These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor's Office of Budget and Planning by June 1, 2002.

Sec. 33. **Health Related Institutions Funding.** Funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

1. **Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of $11,776:

Program	Weight Per Student
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

   Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is $11.54 for all health related institutions, excluding The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Center at Tyler. For these two institutions, the per square foot rate is $11.51.

   Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M. D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of $1,412,500 plus 2.50 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.

5. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor's Office by June 1, 2002.

6. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and the University of Texas Health Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:

   a. The University of Texas M.D. Anderson Cancer Center has a statutory mission to eliminate cancer through patient care, research, education, and prevention. General Revenue funds appropriated to The University of Texas M.D. Anderson Cancer Center in Strategy B.1.3, Science Park Operations, and Strategy D.1.1, Patient Care Activities, shall be based on the number of new cancer cases each year based upon population estimate projections of the state produced by the Texas State Data Center and California State Center Registry incidence rates used as a methodological source by cancer epidemiologists in Texas and throughout the country. General Revenue appropriations for fiscal year 2002 shall be based on the number of new cancer cases reported in 1999, and General Revenue appropriations for fiscal year 2003 shall be based on the number of new cancer cases reported in 2000. The rate per new cancer case shall be $70.55 in fiscal year 2002 and $68.97 in fiscal year 2003 for Strategy B.1.3, Science Park Operations; and $318.94 in fiscal year 2002 and $311.96 in fiscal year 2003 for Strategy D.1.1, Patient Care Activities.

   b. The University of Texas Health Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. General Revenue funds appropriated to The University of Texas Health Center at Tyler in Strategy A.1.1, Medical Education and Research Items, shall be based on the number of new primary chest disease diagnoses each year in Texas as reported by participating Texas hospitals in the Texas Hospital Association Patient Data System program. General Revenue appropriations for fiscal year 2002 shall be based on the number of new primary chest disease diagnoses reported in 1998, and General Revenue appropriations for fiscal year 2003 shall be based on the number of new primary chest disease diagnoses reported in 1999. The rate per primary chest diagnosis shall be $4.65 for fiscal year 2002 and $4.34 for fiscal year 2003.

   c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board, Governor's Office, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

Sec. 34. **Optional Retirement Program Differential.** Included in the appropriation to institutions of higher education in this act are general revenue amounts to offset local funds used for the optional retirement program employer contributions between 6 percent and 7.31 percent of salaries for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995. These general revenue amounts are included in the funding formulas for general academic institutions and two-year institutions and in the base funding for other institutions of higher education.

Sec. 35. **Indirect Cost Recovery Earned by Texas A&M Services.** The Texas A&M University System Service agencies shall report to the Legislative Budget Board in their Legislative Appropriations Requests for 2004–2005 all indirect cost recovery revenue earned on research grants and contracts including amounts collected by the Research Foundation.

Sec. 36. **Fire Safety Projects at Institutions of Higher Education.** Because of the urgent nature of these projects, it is the intent of the Legislature that institutions of higher education that have major fire safety projects, identified by the State Fire Marshall's Office as not meeting the requirements of the National Fire Protection Association, *Life Safety Code*, 1994 Edition, remedy the fire safety issues and complete any related construction and renovation projects as soon as practical. Institutions shall consult with the State Fire Marshall's Office and develop a time line for completion of the projects. Institutions shall implement the interim safety precautions recommended by the State Fire Marshall's Office. The State Fire Marshall shall submit periodic reports to the House Appropriations Committee and Senate Finance Committee on the progress of institutions in remedying the fire safety issues.

Institutions of higher education shall notify parents of students living in dormitories identified by the State Fire Marshall's Office. The notice shall contain information about the actions needed to rectify noncompliance and the time frame in which the institution plans to make improvements in order to comply.

Sec. 37. **Gerontology Education.** It is the intent of the Legislature that institutions of higher education that have education or research programs on gerontology and the Department on Aging or other appropriate agencies collaborate to build partnerships with appropriate service providers, government agencies and businesses. It is the intent of the Legislature that institutions review current curricula for education programs that prepare health and human services professionals that serve adults to include both course work and clinical experiences that deal with problems in aging. Institutions of higher education should establish processes for receiving advice from experts in the field of aging on issues related to program development and evolution, curriculum quality, and supply and demand for graduates.

Sec. 38. **Developmental Education Performance Fund.** For institutions participating in the General Academic Developmental Education Accountability Pilot Program, funds appropriated in this article for developmental education shall be expended only for those costs associated with the operation of the developmental education program and a reasonable amount of indirect administration. The amounts shall be accounted for separately from other funds to ensure that the use of funds can be readily tracked for financial reporting and auditing purposes. Institutions may expend additional amounts for the purposes of developmental education.

Sec. 39. **Community and Technical College Developmental Education Funds.** For community and technical colleges participating in the Community and Technical College Developmental Education Accountability Pilot Program, funds appropriated in this article for developmental education at shall be expended only for those costs associated with the operation of the developmental education program and a reasonable amount of indirect administration. The amounts shall be accounted for separately from other funds to ensure that the use of funds can be readily tracked for financial reporting and auditing purposes. Institutions may expend additional amounts for the purposes of developmental education.

Sec. 40. **Special Items.** It is the intent of the Legislature that actions taken to consolidate certain special items under the Institutional Enhancement strategy shall not in any way be construed to preclude actions to add special item funding for a statewide or broadly based initiative identified by the Legislature to address significant unmet needs.

Sec. 41. **Funding for Physical Education Courses.** No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

Sec. 42. **Faculty Salary Increase Report.** Each general academic institution shall report the average salary increase provided to faculty at the institution to the Legislative Budget Board and Governor's Office by January 31 of each fiscal year on a form prescribed by the Texas Higher Education Coordinating Board.

Sec. 43. **Endowed Chairs.** Out of funds appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine, Houston; University of Texas Health Science Center at Houston; University of Texas Medical Branch at Galveston, each may expend up to $1,000,000 out of funds appropriated in this Act to fund one endowed chair or professorship for spinal cord injury research. It is the intent of the Legislature that each institution pursue an equal amount of matching funds from the Institute of Rehabilitation and Research for each institution.

Sec. 44. **Status of Endowed Chairs at General Academic Institutions.** Each general academic institution that accepts donations for endowed chairs shall do the following:

a. For each endowed chair that remains unfilled for a period of three consecutive years, the institution shall provide a report to the donor disclosing the vacant status of the chair.

b. Beginning with the annual performance measure report for fiscal year 2002, report the average length of time in months endowed chairs have remained unfilled and the percent of endowed chairs unfilled within the fiscal year being reported.

The Legislative Budget Board, in consultation with representatives from institutions, the Texas Higher Education Coordinating Board, the Governor's Office, and the State Auditor's Office, shall develop a standard definition for these measures.

Sec. 45. **A&M Service Agencies' Infrastructure.** Funds identified as Infrastructure Support for Texas Agricultural Experiment Station, Texas Agricultural Extension Service, Texas Forest Service, Texas Veterinary Medical Diagnostic Laboratory, Texas Engineering Experiment Station, Texas Transportation Institute, and Texas Engineering Extension Service are to be applied to each agency's infrastructure needs in Brazos County under the Texas Higher Education Coordinating Board's recommended formula for the A&M service agencies' infrastructure. Each agency shall continue to work with the Texas Higher Education Coordinating Board as part of the ongoing formula advisory committee review process. Included in the Infrastructure Support strategy are funds formerly classified as Capital Equity and Excellence Funding.

Sec. 46. **Inventory Performance Measure.** The general academic and health-related institutions shall report the following new performance measures beginning with the annual performance report for fiscal year 2002:

a. Lost or stolen property reported to the Comptroller of Public Accounts as a percent of the total value of inventory.

b. The total dollar value of inventoried property lost or stolen.

The Legislative Budget Board, in consultation with representatives from institutions, the Comptroller's Office, the Governor's Office, and the State Auditor's Office, shall develop a standard definition for these measures.

Sec. 47. **Donations for Scholarships.** For the first five years after receiving a donation which creates or endows a scholarship, a state university that fails to award a scholarship created or endowed by a donor shall annually notify the donor and the Higher Education Coordinating Board of that failure and shall cause notice of that failure to be published in the Texas Register. In the event that the aggregate amount of such scholarships which have not been awarded reaches $250,000, the university shall also notify the Legislative Budget Board.

Sec. 48. **Endowed Programs.** A state university that, within five years of receiving a donation, diminishes its financial support from local funds for a program created or endowed by the donor, shall notify the donor, the Higher Education Coordinating Board and the Legislative Budget Board and shall cause that action to be published in the Texas Register. Upon application by the donor, the university shall return the donation or endowment.

Sec. 49. **Program Enhancement for the A&M Service Agencies.** Funds identified as Program Enhancement for Texas Agricultural Experiment Station, Texas Agricultural Extension Service, Texas Forest Service, Texas Veterinary Medical Diagnostic Laboratory, Texas Wildlife Damage Management Service, Texas Engineering Experiment Station, Texas Transportation Institute and Texas Engineering Extension Service are to be used to improve operational capacity. Each agency is directed to provide the Legislative Budget Board and the Governor's Office of Budget and Planning with a report by October 1 of each year detailing measures taken to improve operational and programmatic efficiency.

Sec. 50. **Capital Equity and Excellence Hold Harmless.** It is the intent of the Legislature that funding provided for general academic institutions for Capital Equity and Excellence Hold Harmless not be continued after the 2002–03 biennium.

Sec. 51. **Contingency Appropriation for Two-year Institutions of Higher Education.** After and contingent upon the Comptroller providing notice to the Legislative Budget Board regarding a finding of fact by the Comptroller of Public Accounts (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval by the Legislative Budget Board, there is hereby appropriated to the Comptroller of Public Accounts, the amount of $10,000,000 in general revenue funds to finance an increase in the contact hour funding formula for two-year higher education institutions, including the Public Community/Junior Colleges, Texas State Technical College components, and the Lamar State Colleges. Allocation of such amounts as available shall be made as approved by the Legislative Budget Board.

* Sec. 52. **Utility Funding Increase for Public Higher Education Institutions.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act, or after certification of this Act, that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval by the Legislative Budget Board, there is hereby appropriated to the Comptroller of Public Accounts $19,515,970 per fiscal year, or such amounts as may be available for

*See Veto Proclamation.

the purpose of funding increased utility costs at public institutions of higher education. Distribution of any amounts authorized shall be based on the Texas Higher Education Coordinating Board's infrastructure funding formula.

Sec. 53. **Housing Pilot Program.** As part of the review mandated in Section 49 (Formula Funding Study) the Higher Education Coordinating Board shall provide for a pilot program at the smallest public university within the Texas State University System in a county along the Texas/Mexico border. Notwithstanding the limitations elsewhere in this Act, the Legislature expressly finds that there is a demonstrated need to provide funding for improving student housing at a small university in this state in order to study the effect of formula funding on small institutions. The pilot program shall allow such university to use education and general funds for the limited purpose of providing student housing. The pilot program shall study the amount of revenue necessary at small universities to bond or otherwise pay for student housing in the event the limitations in Section 6, Subsection 8 (Appropriations Expenditure Authorization) or similar legislation remain in place. The board and the university shall report the results of the pilot program to the Legislative Budget Board no later than January 2, 2003.

Sec. 54. **Student Travel Policy.** Each governing board of an institution of higher-education shall adopt a policy regulating travel that is undertaken by one or more students presently enrolled at the institution to reach an activity or event that is located more than 25 miles from the institution that is organized and sponsored by the institution and that is funded by the institution, and the travel is undertaken using a vehicle owned or leased by the institution or required by a student organization registered at the institution.

Sec. 55 **Special Item Support.** Any appropriations made to special item support strategies throughout this article are intended to supplement existing programs and may not be used to supplant funds.

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Education Agency	$ 11,667,175,277	$ 11,436,676,341
Contingency Appropriations	592,068	0
Total	11,667,767,345	11,436,676,341
State Board for Educator Certification	12,282,006	11,840,416
Rider Appropriations	1,650,000	0
Total	13,932,006	11,840,416
School for the Blind and Visually Impaired	12,698,184	12,049,448
School for the Deaf	15,593,180	15,841,700
Teacher Retirement System	1,560,736,496	1,492,938,294
Optional Retirement Program	94,802,675	99,542,809
Higher Education Employees Group Insurance Contributions	429,046,657	482,334,255
Higher Education Coordinating Board	402,264,792	341,462,638
Rider Appropriations	2,335,000	0
Contingency Appropriations	5,500,000	5,000,000
Total	410,099,792	346,462,638
Higher Education Fund	224,365,000	224,365,000
The University of Texas System Administration	8,115,391	8,115,392
The University of Texas at Arlington	81,448,396	80,568,421
The University of Texas at Austin	239,608,001	238,186,802
The University of Texas at Dallas	52,239,352	51,776,484
Rider Appropriations	68,000	0
Total	52,307,352	51,776,484
The University of Texas at El Paso	58,626,407	58,270,737
The University of Texas - Pan American	46,722,386	47,352,920
The University of Texas at Brownsville	17,077,485	17,336,988
The University of Texas of the Permian Basin	13,697,310	13,548,171
The University of Texas at San Antonio	66,971,445	66,405,033
The University of Texas at Tyler	21,562,566	20,866,694
Texas A&M University System Administrative and General Offices	3,109,467	609,467
Texas A&M University	206,744,183	206,843,731
Texas A&M University at Galveston	10,750,981	10,781,039
Prairie View A&M University	41,732,437	42,125,345
Tarleton State University	27,710,839	27,798,803
Texas A&M University - Corpus Christi	38,313,001	38,668,864
Texas A&M University - Kingsville	32,307,340	31,031,802
Texas A&M International University	30,169,186	30,273,839
West Texas A&M University	25,747,619	26,122,339
Texas A&M University - Commerce	29,227,725	29,913,432
Texas A&M University - Texarkana	8,406,870	8,499,013
University of Houston System Administration	2,538,729	2,538,730
University of Houston	128,458,393	129,117,622
University of Houston - Clear Lake	26,465,330	26,596,001
University of Houston - Downtown	20,584,406	20,800,235
University of Houston - Victoria	10,110,078	10,230,933

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

Midwestern State University	17,545,197	17,714,674
University of North Texas System Administration	100,000	100,000
University of North Texas	91,966,237	93,837,308
Stephen F. Austin State University	39,059,318	39,721,515
Texas Southern University	44,019,397	44,561,452
Texas Tech University System Administration	500,000	500,000
Texas Tech University	107,970,101	108,780,101
Texas Woman's University	46,731,432	47,380,127
Board of Regents, Texas State University System Central Office	1,337,513	1,337,512
Angelo State University	24,579,084	24,991,665
Lamar University	29,628,764	30,188,031
Lamar Institute of Technology	8,699,684	8,679,724
Lamar State College - Orange	6,188,265	6,192,694
Lamar State College - Port Arthur	8,794,372	8,797,033
Sam Houston State University	37,359,988	37,746,518
Southwest Texas State University	66,842,042	67,695,945
Sul Ross State University	14,799,801	14,955,500
Sul Ross State University Rio Grande College	5,414,400	5,439,479
The University of Texas Southwestern Medical Center at Dallas	94,858,157	94,597,227
The University of Texas Medical Branch at Galveston	221,985,955	221,679,659
The University of Texas Health Science Center at Houston	124,729,579	124,368,217
The University of Texas Health Science Center at San Antonio	117,425,448	116,667,712
The University of Texas M.D. Anderson Cancer Center	136,916,658	136,924,278
The University of Texas Health Center at Tyler	32,373,133	32,386,724
Texas A&M University System Health Science Center	56,892,221	55,352,201
University of North Texas Health Science Center at Fort Worth	41,830,524	41,836,349
Texas Tech University Health Sciences Center	87,365,123	86,987,769
Public Community/Junior Colleges	790,127,852	789,277,142
Texas State Technical College System Administration	2,230,138	2,230,138
Texas State Technical College - Harlingen	16,594,117	16,588,551
Texas State Technical College - West Texas	11,269,356	11,265,856
Texas State Technical College - Marshall	4,016,258	4,015,477
Texas State Technical College - Waco	26,909,363	26,902,048
Texas Agricultural Experiment Station	54,435,592	54,435,592
Rider Appropriations	140,000	0
Total	54,575,592	54,435,592
Texas Agricultural Extension Service	41,591,239	42,179,537
Texas Engineering Experiment Station	12,429,217	12,429,217
Texas Transportation Institute	4,688,204	4,688,204
Texas Engineering Extension Service	6,421,867	6,421,868
Texas Forest Service	16,058,802	15,308,802
Texas Wildlife Damage Management Service	3,583,569	3,371,544
Texas Veterinary Medical Diagnostic Laboratory	5,831,508	4,431,507
Texas Food and Fibers Commission	1,550,294	1,525,293
Subtotal, Agencies of Education	$ 18,141,344,427	$ 17,830,919,928

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

Retirement and Group Insurance	21,673,369	23,940,918
Social Security and Benefit Replacement Pay	166,442,351	173,755,900
Subtotal, Employee Benefits	$ 188,115,720	$ 197,696,818
Bond Debt Service Payments	141,700	1,128,900
Lease Payments	8,116,814	8,094,542
Subtotal, Debt Service	$ 8,258,514	$ 9,223,442
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 18,337,718,661	$ 18,037,840,188

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Education Agency	$ 5,325	$ 5,325
Teacher Retirement System	46,587,484	50,314,483
Optional Retirement Program	11,240,586	11,802,615
Higher Education Coordinating Board	1,473,158	1,473,158
Rider Appropriations	16,000	0
Total	1,489,158	1,473,158
The University of Texas at Arlington	27,981,222	28,032,354
The University of Texas at Austin	114,977,488	115,152,329
The University of Texas at Dallas	22,031,052	22,092,709
The University of Texas at El Paso	19,069,351	19,079,394
The University of Texas - Pan American	13,565,702	13,570,269
The University of Texas at Brownsville	3,076,998	3,078,553
The University of Texas of the Permian Basin	2,318,654	2,319,508
The University of Texas at San Antonio	21,159,103	21,173,752
The University of Texas at Tyler	3,165,203	3,166,138
Texas A&M University System Administrative and General Offices, Rider Appropriations	2,037,000	1,505,000
Texas A&M University	77,080,867	77,206,996
Texas A&M University at Galveston	2,870,536	2,878,002
Prairie View A&M University	11,296,936	11,323,965
Tarleton State University	8,645,078	8,647,704
Texas A&M University - Corpus Christi	7,094,095	7,098,725
Texas A&M University - Kingsville	8,701,669	8,707,012
Texas A&M International University	3,110,380	3,115,152
West Texas A&M University	7,648,928	7,659,977
Texas A&M University - Commerce	8,486,595	8,491,851
Texas A&M University - Texarkana	1,052,702	1,055,042
University of Houston	53,485,349	53,601,206
University of Houston - Clear Lake	9,655,567	9,675,436
University of Houston - Downtown	9,221,870	9,240,297
University of Houston - Victoria	1,436,020	1,436,971
Midwestern State University	6,427,752	6,434,176
Rider Appropriations	10,000	3,000
Total	6,437,752	6,437,176
University of North Texas	35,167,427	35,219,127
Stephen F. Austin State University	13,237,193	13,239,717
Rider Appropriations	2,000	0
Total	13,239,193	13,239,717
Texas Southern University	12,660,256	12,681,137

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)

Texas Tech University	38,589,446	38,626,664
Rider Appropriations	219,000	20,000
Total	38,808,446	38,646,664
Texas Woman's University	9,987,440	9,999,162
Board of Regents, Texas State University System Central Office, Rider Appropriations	120,000	120,000
Angelo State University	6,974,166	6,975,280
Lamar University	8,943,012	8,950,926
Lamar Institute of Technology	1,979,485	1,980,747
Lamar State College - Orange	1,507,982	1,509,103
Lamar State College - Port Arthur	1,847,428	1,848,514
Sam Houston State University	17,504,343	17,619,459
Southwest Texas State University	25,474,228	25,489,794
Sul Ross State University	2,367,638	2,368,947
Sul Ross State University Rio Grande College	693,539	693,764
The University of Texas Southwestern Medical Center at Dallas	44,348,175	46,628,967
The University of Texas Medical Branch at Galveston	23,186,383	23,186,383
The University of Texas Health Science Center at Houston	28,618,045	29,565,473
The University of Texas Health Science Center at San Antonio	20,060,248	20,060,248
The University of Texas M.D. Anderson Cancer Center	53,176,623	56,232,184
The University of Texas Health Center at Tyler	785,675	793,309
Texas A&M University System Health Science Center	4,850,320	4,850,201
University of North Texas Health Science Center at Fort Worth	4,752,683	4,877,683
Texas Tech University Health Sciences Center	5,092,550	4,990,247
Texas State Technical College System Administration	284,263	284,224
Texas State Technical College - Harlingen	3,844,653	3,844,653
Texas State Technical College - West Texas	2,024,951	2,022,951
Texas State Technical College - Marshall	721,575	721,575
Texas State Technical College - Waco	4,666,474	4,666,474
Texas Agricultural Experiment Station	875,000	875,000
Rider Appropriations	10,000	0
Total	885,000	875,000
Texas Agricultural Extension Service	100,000	100,000
Rider Appropriations	10,000	0
Total	110,000	100,000

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)

Texas Engineering Experiment Station	3,618,921	3,618,921
Texas Transportation Institute	1,400,345	1,414,348
Texas Engineering Extension Service	1,880,013	1,880,013
Subtotal, Agencies of Education	$ 886,510,150	$ 897,296,294
Social Security and Benefit Replacement Pay	30,405,743	31,774,001
Subtotal, Employee Benefits	$ 30,405,743	$ 31,774,001
Article III, Special Provisions, Rider Appropriations	967,000	0
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 917,882,893	$ 929,070,295

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Education Agency	$ 2,666,505,272	$ 2,728,919,938
State Board for Educator Certification	2,977,242	0
School for the Blind and Visually Impaired	2,098,921	2,098,921
School for the Deaf	788,048	767,048
Higher Education Coordinating Board	52,150,478	52,150,478
Texas Agricultural Experiment Station	6,455,093	6,455,093
Texas Agricultural Extension Service	10,005,523	10,005,523
Texas Engineering Experiment Station	28,406,843	28,406,843
Texas Transportation Institute	3,145,717	3,145,717
Texas Engineering Extension Service	9,675,335	9,675,336
Texas Forest Service	3,258,191	3,258,191
Texas Food and Fibers Commission	180,308	181,412
Subtotal, Agencies of Education	$ 2,785,646,971	$ 2,845,064,500
Retirement and Group Insurance	1,285,725	1,298,515
Social Security and Benefit Replacement Pay	1,238,996	1,206,188
Subtotal, Employee Benefits	$ 2,524,721	$ 2,504,703
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 2,788,171,692	$ 2,847,569,203

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Education Agency	$ 731,938,600	$ 812,938,600
State Board for Educator Certification	643,100	0
School for the Blind and Visually Impaired	1,301,477	6,435,477
School for the Deaf	9,473,811	2,388,811
Telecommunications Infrastructure Fund Board	200,000,000	200,000,000
Teacher Retirement System	36,428,000	36,828,000
Contingency Appropriations	22,000,000	0
Total	58,428,000	36,828,000
Higher Education Coordinating Board	13,893,760	13,458,510
Available University Fund	351,888,346	373,993,219
Texas A&M University	2,113,000	2,113,000
The University of Texas Medical Branch at Galveston	222,895,182	222,895,182
The University of Texas Health Science Center at Houston	2,355,805	2,362,435
The University of Texas Health Science Center at San Antonio	692,157	692,156
The University of Texas M.D. Anderson Cancer Center	672,838,857	746,162,617
The University of Texas Health Center at Tyler	38,991,763	39,367,290
Texas A&M University System Health Science Center	2,987,496	2,985,181
Texas Agricultural Experiment Station	4,830,020	4,830,020
Texas Agricultural Extension Service	7,729,091	7,729,091
Texas Engineering Experiment Station	17,855,928	17,855,928
Texas Transportation Institute	19,732,074	19,971,337
Texas Engineering Extension Service	27,198,023	27,198,023
Texas Forest Service	2,804,085	2,804,085
Texas Veterinary Medical Diagnostic Laboratory	5,123,234	5,123,235
Texas Food and Fibers Commission	3,340,834	3,436,784
Subtotal, Agencies of Education	$ 2,399,054,643	$ 2,551,568,981
Retirement and Group Insurance	125,663	135,991
Social Security and Benefit Replacement Pay	5,389,580	5,571,459
Subtotal, Employee Benefits	$ 5,515,243	$ 5,707,450
Less Interagency Contracts	$ 79,465,529	$ 59,735,773
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 2,325,104,357	$ 2,497,540,658

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Education Agency	$ 15,065,624,474	$ 14,978,540,204
Contingency Appropriations	592,068	0
Total	15,066,216,542	14,978,540,204
State Board for Educator Certification	15,902,348	11,840,416
Rider Appropriations	1,650,000	0
Total	17,552,348	11,840,416
School for the Blind and Visually Impaired	16,098,582	20,583,846
School for the Deaf	25,855,039	18,997,559
Telecommunications Infrastructure Fund Board	200,000,000	200,000,000
Teacher Retirement System	1,643,751,980	1,580,080,777
Contingency Appropriations	22,000,000	0
Total	1,665,751,980	1,580,080,777
Optional Retirement Program	106,043,261	111,345,424
Higher Education Employees Group Insurance Contributions	429,046,657	482,334,255
Higher Education Coordinating Board	469,782,188	408,544,784
Rider Appropriations	2,351,000	0
Contingency Appropriations	5,500,000	5,000,000
Total	477,633,188	413,544,784
Higher Education Fund	224,365,000	224,365,000
The University of Texas System Administration	8,115,391	8,115,392
Available University Fund	351,888,346	373,993,219
The University of Texas at Arlington	109,429,618	108,600,775
The University of Texas at Austin	354,585,489	353,339,131
The University of Texas at Dallas	74,270,404	73,869,193
Rider Appropriations	68,000	0
Total	74,338,404	73,869,193
The University of Texas at El Paso	77,695,758	77,350,131
The University of Texas - Pan American	60,288,088	60,923,189
The University of Texas at Brownsville	20,154,483	20,415,541
The University of Texas of the Permian Basin	16,015,964	15,867,679
The University of Texas at San Antonio	88,130,548	87,578,785
The University of Texas at Tyler	24,727,769	24,032,832
Texas A&M University System Administrative and General Offices	3,109,467	609,467
Rider Appropriations	2,037,000	1,505,000
Total	5,146,467	2,114,467
Texas A&M University	285,938,050	286,163,727
Texas A&M University at Galveston	13,621,517	13,659,041
Prairie View A&M University	53,029,373	53,449,310
Tarleton State University	36,355,917	36,446,507
Texas A&M University - Corpus Christi	45,407,096	45,767,589
Texas A&M University - Kingsville	41,009,009	39,738,814

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

Texas A&M International University	33,279,566	33,388,991
West Texas A&M University	33,396,547	33,782,316
Texas A&M University - Commerce	37,714,320	38,405,283
Texas A&M University - Texarkana	9,459,572	9,554,055
University of Houston System Administration	2,538,729	2,538,730
University of Houston	181,943,742	182,718,828
University of Houston - Clear Lake	36,120,897	36,271,437
University of Houston - Downtown	29,806,276	30,040,532
University of Houston - Victoria	11,546,098	11,667,904
Midwestern State University	23,972,949	24,148,850
Rider Appropriations	10,000	3,000
Total	23,982,949	24,151,850
University of North Texas System Administration	100,000	100,000
University of North Texas	127,133,664	129,056,435
Stephen F. Austin State University	52,296,511	52,961,232
Rider Appropriations	2,000	0
Total	52,298,511	52,961,232
Texas Southern University	56,679,653	57,242,589
Texas Tech University System Administration	500,000	500,000
Texas Tech University	146,559,547	147,406,765
Rider Appropriations	219,000	20,000
Total	146,778,547	147,426,765
Texas Woman's University	56,718,872	57,379,289
Board of Regents, Texas State University System		
Central Office	1,337,513	1,337,512
Rider Appropriations	120,000	120,000
Total	1,457,513	1,457,512
Angelo State University	31,553,250	31,966,945
Lamar University	38,571,776	39,138,957
Lamar Institute of Technology	10,679,169	10,660,471
Lamar State College - Orange	7,696,247	7,701,797
Lamar State College - Port Arthur	10,641,800	10,645,547
Sam Houston State University	54,864,331	55,365,977
Southwest Texas State University	92,316,270	93,185,739
Sul Ross State University	17,167,439	17,324,447
Sul Ross State University Rio Grande College	6,107,939	6,133,243
The University of Texas Southwestern Medical Center at Dallas	139,206,332	141,226,194
The University of Texas Medical Branch at Galveston	468,067,520	467,761,224
The University of Texas Health Science Center at Houston	155,703,429	156,296,125
The University of Texas Health Science Center at San Antonio	138,177,853	137,420,116
The University of Texas M.D. Anderson Cancer Center	862,932,138	939,319,079
The University of Texas Health Center at Tyler	72,150,571	72,547,323
Texas A&M University System Health Science Center	64,730,037	63,187,583

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

University of North Texas Health Science Center at Fort Worth	46,583,207	46,714,032
Texas Tech University Health Sciences Center	92,457,673	91,978,016
Public Community/Junior Colleges	790,127,852	789,277,142
Texas State Technical College System Administration	2,514,401	2,514,362
Texas State Technical College - Harlingen	20,438,770	20,433,204
Texas State Technical College - West Texas	13,294,307	13,288,807
Texas State Technical College - Marshall	4,737,833	4,737,052
Texas State Technical College - Waco	31,575,837	31,568,522
Texas Agricultural Experiment Station	66,595,705	66,595,705
Rider Appropriations	150,000	0
Total	66,745,705	66,595,705
Texas Agricultural Extension Service	59,425,853	60,014,151
Rider Appropriations	10,000	0
Total	59,435,853	60,014,151
Texas Engineering Experiment Station	62,310,909	62,310,909
Texas Transportation Institute	28,966,340	29,219,606
Texas Engineering Extension Service	45,175,238	45,175,240
Texas Forest Service	22,121,078	21,371,078
Texas Wildlife Damage Management Service	3,583,569	3,371,544
Texas Veterinary Medical Diagnostic Laboratory	10,954,742	9,554,742
Texas Food and Fibers Commission	5,071,436	5,143,489
Subtotal, Agencies of Education	$ 24,212,556,191	$ 24,124,849,703
Retirement and Group Insurance	23,084,757	25,375,424
Social Security and Benefit Replacement Pay	203,476,670	212,307,548
Subtotal, Employee Benefits	$ 226,561,427	$ 237,682,972
Bond Debt Service Payments	141,700	1,128,900
Lease Payments	8,116,814	8,094,542
Subtotal, Debt Service	$ 8,258,514	$ 9,223,442
Article III, Special Provisions, Rider Appropriations	967,000	0
Less Interagency Contracts	$ 79,465,529	$ 59,735,773
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 24,368,877,603	$ 24,312,020,344
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	79,783.6	79,804.1
Number of Full-Time-Equivalent Positions (FTE)-Total	131,411.8	132,393.7

ARTICLE IV

THE JUDICIARY

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the Judiciary and other judicial service units of the state.

SUPREME COURT OF TEXAS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Disposition Rate	105%	105%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 4,032,762 & UB	$ 4,022,022 & UB
Efficiencies:		
Average Number of Days since Filing of All Matters Pending in the Supreme Court	100	100
A.1.2. Strategy: BASIC CIVIL LEGAL SERVICES	$ 3,550,000 & UB	$ 3,250,000 & UB
Total, Goal A: APPELLATE COURT OPERATIONS	$ 7,582,762	$ 7,272,022
Grand Total, SUPREME COURT OF TEXAS	$ 7,582,762	$ 7,272,022
Method of Financing:		
General Revenue Fund	$ 4,032,762	$ 4,022,022
Judicial Fund No. 573	3,550,000	3,250,000
Total, Method of Financing	$ 7,582,762	$ 7,272,022
Number of Full-Time-Equivalent Positions (FTE):	66.0	66.0
Schedule of Exempt Positions:		
Chief Justice	$115,000	$115,000
Justice	(8) 113,000	(8) 113,000
Supplemental Appropriations Made in Riders:	$ 3,250,000	$ 0

1. **Appropriation: Basic Civil Legal Services.** All fees deposited into the Basic Civil Legal Services account of the Judicial Fund are appropriated above in Strategy A.1.2, Basic Civil Legal Services. Any fees or collections deposited in excess of $3,550,000 in fiscal year 2002 and $3,250,000 in fiscal year 2003 are hereby appropriated to the Supreme Court for the same purpose. Any unexpended balances in the Basic Civil Legal Services account at the end of fiscal year 2001 are hereby appropriated to the Supreme Court in fiscal year 2002 for the same purpose (estimated to be $3,250,000).

   Included in amounts appropriated above in Strategy A.1.2, Basic Civil Legal Services, is $300,000 in fiscal year 2002 from proceeds from *State of Florida, et al. v. Nine West Group, Inc. and John Does 1-500* ("Nine West settlement"). The availability of these funds is contingent upon the Nine West settlement becoming available for appropriation. Such funds are appropriated to the Supreme Court for the purpose of supplementing the grant made in fiscal

year 2002 to the Women's Advocacy Project. In awarding the settlement proceeds to the Women's Advocacy Project, the Supreme Court may not reduce the amount of funds provided to the Women's Advocacy Project from other funding sources. Funds received from the Nine West settlement may only be used for purposes that comply with the terms of the Nine West settlement.

2. **Equalization.** It is the intent of the Legislature that the Supreme Court equalize the dockets of the fourteen courts of appeals. Equalization shall be considered achieved if the new cases filed each year per justice are equalized by 10 percent or less among all the courts of appeals.

COURT OF CRIMINAL APPEALS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Disposition Rate for Petitions for Discretionary Review Which Are Granted	79%	79%
Disposition Rate for Death Penalty Cases	37%	37%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 4,121,477 & UB	$ 4,121,477 & UB
Efficiencies:		
Average Time (in Days) from the Time Petitions for Discretionary Review Are Granted until Disposition	282	282
Average Time from Time Filed to Disposition in Death Penalty Cases	638	638
B. Goal: JUDICIAL EDUCATION		
B.1.1. Strategy: JUDICIAL EDUCATION	$ 8,727,500 & UB	$ 8,727,500 & UB
Grand Total, COURT OF CRIMINAL APPEALS	$ 12,848,977	$ 12,848,977
Method of Financing:		
General Revenue Fund	$ 4,298,977	$ 4,298,977
Judicial and Court Personnel Training Fund No. 540	8,550,000	8,550,000
Total, Method of Financing	$ 12,848,977	$ 12,848,977
Number of Full-Time-Equivalent Positions (FTE):	69.0	69.0
Schedule of Exempt Positions:		
Presiding Judge	$115,000	$115,000
Judge	(8) 113,000	(8) 113,000
Supplemental Appropriations Made in Riders:	$ 1,000,000	$ 0

1. **Judicial Education.**

   a. The Court of Criminal Appeals may assign to the Office of Court Administration or to any other agency of the Judicial Branch the necessary administrative and accounting functions for the Judicial and Court Personnel Training Fund appropriation included in this Act to be performed under the direction of the Court of Criminal Appeals in compliance with VTCA, Government Code § 56. To implement this provision, the Comptroller is authorized to transfer the appropriation from the Court of Criminal Appeals to the Office of Court

Administration, or to any other agency of the Judicial Branch, as directed by order of the Court of Criminal Appeals. Of the amount appropriated for Strategy B.1.1, Judicial Education, $297,500 in fiscal year 2002 and $297,500 and UB in fiscal year 2003 shall be expended for the continuing legal education of judges of county courts performing judicial functions.

b. None of the funds appropriated above in Strategy B.1.1, Judicial Education, in excess of three percent of the appropriated amount in any fiscal year shall be expended for the administration of the judicial education function. For the purposes of this provision, the term administration shall include, but not be limited to, administrative oversight functions, accounting and auditing functions, management studies, performance audits, and other studies initiated by the Court of Criminal Appeals or the Office of Court Administration.

c. Funds expended by either the Court of Criminal Appeals or the Office of Court Administration, out of the appropriation made above out of the Judicial and Court Personnel Training Fund, for the purpose of conducting management studies, performance audits, or other studies, shall be expended only in accordance with a competitive bidding process.

2. **Limitation, Judicial and Court Personnel Training.** Out of the funds appropriated above in Strategy B.1.1, Judicial Education, $1,000,000 in the first year of the biennium and $1,000,000 and UB in the second year of the biennium may be expended only to provide for the training and continuing legal education of the clerks and other court personnel of the appellate courts, district courts, county courts at law, county courts, justice courts, and municipal courts of this State in accordance with VTCA, Government Code § 74.025.

3. **Continuing Education and Technical Assistance for Prosecutors and Criminal Defense Attorneys.**

a. The Court of Criminal Appeals is authorized to contract with a statewide professional association of prosecuting attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for prosecutors and prosecutor office personnel, provided, however, that such contract shall not exceed $1,400,000 in fiscal year 2002 and $1,400,000 and UB in fiscal year 2003.

b. The Court of Criminal Appeals is authorized to contract with a statewide professional association of criminal defense attorneys whose purposes include providing continuing legal education courses, programs and technical assistance projects for criminal defense attorneys who regularly represent indigent defendants in criminal matters, provided, however, that such contract shall not exceed $1,250,000 in fiscal year 2002 and $1,250,000 and UB in fiscal year 2003.

c. Funds may be expended pursuant to this provision only out of the appropriation made above out of the Judicial and Court Personnel Training Fund No. 540.

4. **Limitation, Judicial Education.** Out of the amounts appropriated above in Strategy B.1.1, Judicial Education, $177,500 in fiscal year 2002 and $177,500 and UB in fiscal year 2003 may be expended only for the purpose of providing continuing judicial education courses, programs and technical assistance projects for judges of county courts performing judicial functions. The limitation imposed by this provision shall apply only to that portion of the identified appropriation funded out of the General Revenue Fund as identified in the Method of Financing.

5. **Judicial Education: Reimbursement for Travel Expenses.** Funds appropriated above in Strategy B.1.1, Judicial Education, for the purposes established in § 56.003(b) of the Government Code, may be granted only pursuant to a grant contract which provides for the reimbursement of expenses of judges pursuant to the provisions of § 74.062 of the Government Code. This provision shall not apply to funds granted for the purpose of providing continuing legal education for judges of county courts performing judicial functions.

6. **Death Penalty Habeas Representation.** The Court of Criminal Appeals is authorized to carry forward unexpended balances, from fiscal year 2001 to fiscal year 2002, of the appropriations made to Death Penalty Habeas Representation, Item 3, Seventy-fifth Legislature, General Appropriations Act, 1998-99 biennium, for the purpose of compensation of counsel for death row inmates appointed by the Court of Criminal Appeals prior to September 1, 1999 (estimated to be $500,000). The Court of Criminal Appeals is authorized to carry forward any unexpended balances of this same appropriation from fiscal year 2002 to fiscal year 2003 for the same purpose.

7. **Appropriation: Refunds of Unexpended Balances from Training Entities.** The Court of Criminal Appeals shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held at the close of the 2000-01 biennium by entities receiving appropriations to conduct judicial and court personnel training. All fiscal year 2000-01 refunds received by the Court of Criminal Appeals are appropriated to Strategy B.1.1, Judicial Education, in fiscal year 2002. (Estimated to be $500,000).

FIRST COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	5%	5%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	5%	5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 2,609,543 & UB	$ 2,609,543 & UB
Grand Total, FIRST COURT OF APPEALS DISTRICT, HOUSTON	$ 2,609,543	$ 2,609,543
Number of Full-Time-Equivalent Positions (FTE):	42.0	42.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(8) 107,350	(8) 107,350

SECOND COURT OF APPEALS DISTRICT, FORT WORTH

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 2,100,897 & UB	$ 2,101,477 & UB
Grand Total, SECOND COURT OF APPEALS DISTRICT, FORT WORTH	$ 2,100,897	$ 2,101,477
Number of Full-Time-Equivalent Positions (FTE):	38.0	38.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(6) 107,350	(6) 107,350

1. **Workers Compensation Exemption.** Funds appropriated above in A.1.1. Strategy, Appellate Court Operations, shall not be subject to the workers compensation reimbursement requirements contained in this Act in Article IX in the provision entitled Reimbursements for Workers' Compensation Payments for claims for injuries or illness sustained or resulting from the events of July 1, 1992.

THIRD COURT OF APPEALS DISTRICT, AUSTIN

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,904,044 & UB	$ 1,904,045 & UB
Grand Total, THIRD COURT OF APPEALS DISTRICT, AUSTIN	$ 1,904,044	$ 1,904,045
Number of Full-Time-Equivalent Positions (FTE):	32.0	32.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(5) 107,350	(5) 107,350

FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 2,068,358 & UB	$ 2,068,358 & UB
Grand Total, FOURTH COURT OF APPEALS DISTRICT, SAN ANTONIO	$ 2,068,358	$ 2,068,358
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(6) 107,350	(6) 107,350

FIFTH COURT OF APPEALS DISTRICT, DALLAS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	5%	5%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	5%	5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 3,711,408 & UB	$ 3,711,408 & UB
Grand Total, FIFTH COURT OF APPEALS DISTRICT, DALLAS	$ 3,711,408	$ 3,711,408
Number of Full-Time-Equivalent Positions (FTE):	56.0	56.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(12) 107,350	(12) 107,350

SIXTH COURT OF APPEALS DISTRICT, TEXARKANA

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,071,779 & UB	$ 1,071,779 & UB
Grand Total, SIXTH COURT OF APPEALS DISTRICT, TEXARKANA	$ 1,071,779	$ 1,071,779
Number of Full-Time-Equivalent Positions (FTE):	17.5	17.5
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(2) 107,350	(2) 107,350

SEVENTH COURT OF APPEALS DISTRICT, AMARILLO

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,402,396 & UB	$ 1,402,395 & UB
Grand Total, SEVENTH COURT OF APPEALS DISTRICT, AMARILLO	$ 1,402,396	$ 1,402,395
Number of Full-Time-Equivalent Positions (FTE):	22.5	22.5
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(3) 107,350	(3) 107,350

EIGHTH COURT OF APPEALS DISTRICT, EL PASO

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,385,670 & UB	$ 1,385,670 & UB
Grand Total, EIGHTH COURT OF APPEALS DISTRICT, EL PASO	$ 1,385,670	$ 1,385,670
Number of Full-Time-Equivalent Positions (FTE):	22.0	22.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(3) 107,350	(3) 107,350

NINTH COURT OF APPEALS DISTRICT, BEAUMONT

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,069,910 & UB	$ 1,069,909 & UB
Grand Total, NINTH COURT OF APPEALS DISTRICT, BEAUMONT	$ 1,069,910	$ 1,069,909
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(2) 107,350	(2) 107,350

TENTH COURT OF APPEALS DISTRICT, WACO

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,102,814 & UB	$ 1,102,814 & UB
Grand Total, TENTH COURT OF APPEALS DISTRICT, WACO	$ 1,102,814	$ 1,102,814
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(2) 107,350	(2) 107,350

ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,050,817 & UB	$ 1,050,816 & UB
Grand Total, ELEVENTH COURT OF APPEALS DISTRICT, EASTLAND	$ 1,050,817	$ 1,050,816
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(2) 107,350	(2) 107,350

TWELFTH COURT OF APPEALS DISTRICT, TYLER

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,101,472 & UB	$ 1,101,472 & UB
Grand Total, TWELFTH COURT OF APPEALS DISTRICT, TYLER	$ 1,101,472	$ 1,101,472
Number of Full-Time-Equivalent Positions (FTE):	16.0	16.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(2) 107,350	(2) 107,350

THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	0%	0%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	0%	0%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 1,918,044 & UB	$ 1,918,544 & UB
Grand Total, THIRTEENTH COURT OF APPEALS DISTRICT, CORPUS CHRISTI	$ 1,918,044	$ 1,918,544
Number of Full-Time-Equivalent Positions (FTE):	29.0	29.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(5) 107,350	(5) 107,350

FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: APPELLATE COURT OPERATIONS		
Appellate court operations.		
Outcome (Results/Impact):		
Clearance Rate	100%	100%
Average Percent of Cases under Submission for More than 12 Months	5%	5%
Average Percent of Cases Filed but Not Yet Disposed for More than 24 Months	5%	5%
A.1.1. Strategy: APPELLATE COURT OPERATIONS	$ 2,598,045 & UB	$ 2,598,044 & UB
Appellate court operations.		
Grand Total, FOURTEENTH COURT OF APPEALS DISTRICT, HOUSTON	$ 2,598,045	$ 2,598,044
Number of Full-Time-Equivalent Positions (FTE):	41.0	41.0
Schedule of Exempt Positions:		
Chief Justice	$107,850	$107,850
Justice	(8) 107,350	(8) 107,350

OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COURT ADMINISTRATION		
Outcome (Results/Impact):		
Number of New Collections Programs Implemented or Existing Programs Expanded	6	6
Disposition Rate (As a Percent of Servings)	100%	100%
A.1.1. Strategy: COURT ADMINISTRATION	$ 1,710,004	$ 1,734,521
Output (Volume):		
Number of Hours of Legal Research for Customers	5,040	5,040
A.2.1. Strategy: JCIT	$ 3,175,000	$ 3,175,000
Judicial Committee on Information Technology.		
A.3.1. Strategy: DOCKET EQUALIZATION	$ 34,665	$ 34,665 & UB
Equalization of the courts of appeals dockets.		
A.4.1. Strategy: ASSISTANCE TO ADMIN REGIONS	$ 205,808	$ 205,808
Assistance to the administrative judicial regions.		
A.5.1. Strategy: IV-D MASTERS/ASSISTS PROGRAM	$ 4,747,345	$ 4,780,925
Title IV-D Masters and Assistants Program.		
A.6.1. Strategy: FOSTER CARE COURTS PROGRAM	$ 2,000,000	$ 2,000,000
A.7.1. Strategy: INDIGENT DEFENSE	$ 7,889,000	$ 11,940,000
Indigent Defense Standards and Services.		
Total, Goal A: COURT ADMINISTRATION	$ 19,761,822	$ 23,870,919
Grand Total, OFFICE OF COURT ADMINISTRATION, TEXAS JUDICIAL COUNCIL	$ 19,761,822	$ 23,870,919

Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 6,043,876	$ 6,068,393
Fair Defense Account, estimated	7,889,000	11,940,000
Subtotal, General Revenue Fund	$ 13,932,876	$ 18,008,393
GR Dedicated - Compensation to Victims of Crime Account No. 469	1,075,000	1,075,000
Other Funds		
Appropriated Receipts	6,601	6,601
Interagency Contracts	4,747,345	4,780,925
Subtotal, Other Funds	$ 4,753,946	$ 4,787,526
Total, Method of Financing	$ 19,761,822	$ 23,870,919
Number of Full-Time-Equivalent Positions (FTE):	177.0	177.0
Schedule of Exempt Positions:		
Administrative Director, Group 4	$98,000	$98,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Appellate Court Technology	1,426,002	1,426,001
(2) Appellate Court Case Management	351,995	351,995
(3) Trial Court Case Management	247,500	247,500
(4) Trial Court Data Management	$ 455,000	$ 455,000
Total, Acquisition of Information Resource Technologies	$ 2,480,497	$ 2,480,496
Total, Capital Budget	$ 2,480,497	$ 2,480,496

2. **Restriction, Assistance to the Administrative Judicial Regions.** Funds appropriated in A.4.1. Strategy, Assistance to Administrative Regions, may be used only for the payment of salaries of administrative assistants employed by the presiding judges of the Administrative Judicial Regions pursuant to VTCA, Government Code § 74.050, as amended. The salaries paid the administrative assistants may be supplemented from sources other than appropriations provided by this Act.

3. **Student Loan Repayment Program.** Out of the funds appropriated above in A.1.1. Strategy, Court Administration, the sum of $255,763 in fiscal year 2002 and $255,763 in fiscal year 2003, shall be expended for the subsidization of the repayment of student loans of those with proven need who accept clerkships or temporary attorney positions in the courts. It is the

intent of the Legislature that the Texas Judicial Council, in connection with an advisory group that includes law school deans, define specific criteria for loan repayment assistance, and for the administration of the program.

4. **Information Regarding Allocation of Full-time Equivalent Positions.** The following data regarding allocation of the "Number of Full-Time-Equivalent Positions" is provided for informational purposes only, and should not be construed as a cap on the number of FTEs in any one strategy: A.1.1. Strategy, Court Administration (26.0 FTEs); A.2.1. Strategy, Judicial Committee on Information Technology (18.5 FTEs); A.4.1. Strategy, Assistance to Administrative Regions (9.0 FTEs); A.5.1. Strategy, Title IV-D Masters and Assistants Program (88.5 FTEs); A.6.1. Strategy, Foster Care Courts Program (30.0 FTEs); and A.7.1. Strategy, Indigent Defense (5.0 FTEs).

5. **Disaster Recovery, Data Operations, Seat Management, and Information Services at the Appellate Courts.** It is the intent of the Legislature that contract services for disaster recovery and data operations services, including seat management, at the appellate courts must be performed by the West Texas Disaster Recovery and Operations Center (West Texas DROC). Further, employees at appellate courts that perform on-site disaster recovery and data operations services, including seat management, must provide the same level of service available from West Texas DROC and may not be reimbursed by the Office of Court Administration from the A.2.1. Strategy, JCIT, in an amount that would exceed the cost of a contract with West Texas DROC. It is the intent of the Legislature that the appellate courts may not employ contractors or employees that provide services that duplicate the information services provided by the Office of Court Administration.

6. **Information Services for the Trial Courts.** Out of funds appropriated above in Strategy A.2.1, Judicial Committee on Information Technology, no less than $1,888,344 shall be dedicated to providing information services for the Trial Courts.

7. **Information Services.** It is the intent of the Legislature that the Office of Court Administration provide staff and information services for the Judicial Committee on Information Technology and information services for the State Law Library.

8. **Foster Care Courts.** Amounts appropriated above in Strategy A.6.1, Foster Care Courts Program, include the amounts of $1,075,000 for fiscal year 2002 and $1,075,000 for fiscal year 2003 from the Compensation to Victims of Crime Account No. 469 for the purpose of establishing eight additional Specialized Foster Care Courts during the 2002–03 biennium pursuant to the provisions of Subchapter C, Chapter 201, Family Code. Additionally, the "Number of Full-Time Equivalent Positions (FTE)" for the Strategy A.6.1, Foster Care Courts Program, includes 15 FTEs in fiscal years 2002 and 2003 funded from the Compensation to Victims of Crime Account No. 469. This appropriation is made pursuant to the authority found in § 56.54, Code of Criminal Procedure.

9. **District Court Performance Measures.** It is the intent of the Legislature that the Office of Court Administration report data for the district courts on a countywide basis and that the data measure countywide clearance rates for criminal, civil, and juvenile cases and measure age of cases disposed and the backlog index for criminal and civil cases. Further, the Office of Court Administration should revise its reporting system for the trial courts to simplify reporting, improve data collection and compliance, and streamline its annual report of the Texas judicial system.

10. **Appellate Court Performance Measures.** It is the intent of the Legislature that the current performance measures for the appellate courts continue to be used for caseload management by each court in accordance with uniform data reporting standards approved by the courts of appeals. Further, the appellate courts should continuously find ways to operate

efficiently without sacrificing the quality of justice while remaining true to the rule of law. Finally, the Office of Court Administration should continue to study whether the statistical data currently reported is presented in a clear, understandable format and what, if any, additional data should be collected.

11. **Equalization of Appellate Court Funding.** It is the intent of the Legislature that the Texas Judicial Council study issues involved in equalizing the funding of the sixteen appellate courts. The report shall include a comparison of current funding, staffing levels, caseload, and other appropriate variables. The Texas Judicial Council shall submit the report to the Legislative Budget Board and Governor no later than March 2002. The Office of Court Administration shall provide any assistance required by the Texas Judicial Council to achieve compliance with this provision.

12. **District Courts.** It is the intent of the Legislature that the Office of Court Administration or its successor compile statistics on the use of visiting judges and the efficiency of the current district court system. The Office of Court Administration or its successor shall report data for district courts in such fashion that docket activity of visiting judges shall be segregated by court. It is the intent of the Legislature that the Texas Judicial Council prepare a report on current district court locations, populations served, docket activity and other appropriate variables that would inform a legislative determination on the need for creating additional district courts. The Texas Judicial Council shall submit the report to the Legislature and the Governor no later than January 2003.

13. **Contingency Appropriation: Senate Bill 7.** The amounts appropriated above in Strategy A.7.1, Indigent Defense are contingent on the enactment of Senate Bill 7, Seventy-seventh Legislature, Regular Session, or similar legislation. All court costs deposited into the Fair Defense Account (an account in the General Revenue Fund) are appropriated in Strategy A.7.1, Indigent Defense. Any court costs deposited in excess of $7,889,000 in fiscal year 2002 and $11,940,000 in fiscal year 2003 are hereby appropriated to the Office of Court Administration, Texas Judicial Council for the same purpose. Included above in Strategy A.7.1, Indigent Defense is $649,600 in fiscal year 2002 and $785,500 in fiscal year 2003 for the establishment and administration of the Task Force on Indigent Defense. The Task Force on Indigent Defense shall have authority to make grants to counties from the Fair Defense Account, with funds being disbursed by the Comptroller. Also contingent on the enactment of Senate Bill 7, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" indicated above includes 5.0 FTEs in both fiscal years 2002 and 2003. In no event shall the appropriation made or the additional FTEs provided by this section be used to offset the Office of Court Administration's administrative support provided to the Task Force on Indigent Defense without the explicit approval of the Task Force on Indigent Defense. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

OFFICE OF THE STATE PROSECUTING ATTORNEY

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: REPRESENTATION BEFORE CCA		
Representation of the State before the Court of Criminal Appeals.		
Outcome (Results/Impact):		
Petitions for Discretionary Review Granted by the Court of Criminal Appeals	23	23
A.1.1. Strategy: REPRESENTATION BEFORE CCA	$ 341,215	$ 341,215 & UB
Representation of the State before the Court of Criminal Appeals.		
Grand Total, OFFICE OF THE STATE PROSECUTING ATTORNEY	$ 341,215	$ 341,215
Number of Full-Time-Equivalent Positions (FTE):	5.0	5.0
Schedule of Exempt Positions:		
State Prosecuting Attorney	$101,700	$101,700

STATE LAW LIBRARY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ADMINISTRATION AND OPERATIONS		
Outcome (Results/Impact):		
Percentage of Positive Evaluations of Library Service by Library Users	90%	90%
A.1.1. Strategy: ADMINISTRATION AND OPERATIONS	$ 949,994	$ 937,994
Grand Total, STATE LAW LIBRARY	$ 949,994	$ 937,994
Method of Financing:		
General Revenue Fund	$ 908,894	$ 896,894
Appropriated Receipts	33,100	33,100
Interagency Contracts	8,000	8,000
Total, Method of Financing	$ 949,994	$ 937,994
Number of Full-Time-Equivalent Positions (FTE):	11.0	11.0
Schedule of Exempt Positions:		
Director, Group 1	$58,000	$58,000

1. **Appropriation of Receipts: Fees and Service Charges.** All receipts collected by the State Law Library as fees and service charges, as authorized pursuant to VTCA, Government Code § 91.011, are hereby appropriated to the State Law Library for the biennium beginning September 1, 2001.

2. **Computer-based Legal Research Services.** The State Law Library is hereby authorized to enter into interagency contracts with other state agencies and the courts for providing a computer based legal research service. The State Law Library shall charge an amount for this service equal to the cost to the library for providing this service.

3. **Fee Schedule, Duplication Services.** The State Law Library shall set a fee schedule for duplication services to the inmates of the Texas Department of Criminal Justice at the same amount per page as charged to the general public.

4. **Unexpended Balances.** Any unexpended and unobligated balances remaining in Strategy A.1.1, Administration and Operations, as of August 31, 2002, are hereby appropriated, in an amount not to exceed $50,000, to the State Law Library for the purpose of acquiring legal reference materials.

COURT REPORTERS CERTIFICATION BOARD

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EXAM AND CERTIFICATION		
Examination and certification.		
Outcome (Results/Impact):		
Percentage of Complaints Resulting in Disciplinary Action	18%	18%
Percentage of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: EXAM AND CERTIFICATION	$ 156,525	$ 156,735
Examination and certification.		
Output (Volume):		
Number of New Licenses Issued to Individuals	100	100
Grand Total, COURT REPORTERS CERTIFICATION BOARD	$ 156,525	$ 156,735
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 58,532	$ 60,170
Number of Full-Time-Equivalent Positions (FTE):	3.5	3.5
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

COURT REPORTERS CERTIFICATION BOARD
(Continued)

2. **Contingent Revenue.** Of the amounts appropriated above to the Court Reporters Certification Board, the amount of $41,228 in fiscal year 2002 and $36,228 in fiscal year 2003 is contingent on the Court Reporters Certification Board assessing fees sufficient to generate, during the 2002–03 biennium, $94,688 in excess of $539,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Court Reporters Certification Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Court Reporters Certification Board's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

STATE COMMISSION ON JUDICIAL CONDUCT

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ADMINISTRATION AND ENFORCEMENT		
Outcome (Results/Impact):		
Percentage of Cases Disposed of	100%	100%
A.1.1. Strategy: ADMINISTRATION AND ENFORCEMENT	$ 936,402	$ 893,403
Grand Total, STATE COMMISSION ON JUDICIAL CONDUCT	$ 936,402	$ 893,403
Number of Full-Time-Equivalent Positions (FTE):	17.0	17.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$100,000	$100,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Web Site Development	$ 35,000	$ 12,000
(2) Case Management Database Upgrade	20,000	UB
Total, Acquisition of Information Resource Technologies	$ 55,000	$ 12,000
Total, Capital Budget	$ 55,000	$ 12,000

2. **Unexpended Balances.** The State Commission on Judicial Conduct is hereby authorized to carry forward unexpended balances from fiscal year 2002 into fiscal year 2003 in an amount not to exceed $50,000.

JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: JUDICIARY SECTION		
A.1.1. Strategy: DISTRICT JUDGES: SALARIES Salaries for district judges and criminal district judges of the existing 418 Judicial District Courts at $101,700 (2002) and $101,700 (2003); former district judges called to duty as visiting judges per VTCA, Government Code, § 74.061; and salaries of retired district judges assigned to special juvenile courts or domestic relations courts per Government Code, § 24.604(f); special judges salaries per Government Code, § 32.302. Estimated.	$ 44,210,600	$ 44,210,600
A.1.2. Strategy: DISTRICT JUDGES: TRAVEL Expenses of district judges while engaged in the actual performance of their duties whose judicial district is composed of more than one county per Government Code, § 24.019, not to exceed $1,500 per county.	$ 477,000	$ 477,000
A.1.3. Strategy: SALARY PER DIEM Per diem for active, retired, and former district judges and statutory county court of law judges serving on assignment and the per diem and expenses for active and retired justices and judges of the Supreme Court, Court of Criminal Appeals, or of a Court of Appeals when holding court out of their district or county when assigned per VTCA, Government Code, Chapter 74. Estimated.	$ 302,000	$ 302,000
A.1.4. Strategy: DISTRICT ATTORNEYS: SALARIES Salaries of 15 district attorneys compensated on a salary basis by the state per Government Code, Chapter 43, at $81,360 (2002) and $81,360 (2003).	$ 1,220,400	$ 1,220,400
A.1.5. Strategy: PROFESSIONAL PROSECUTORS: SALARIES Salaries of 135 district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney that are prohibited from the private practice of law by Government Code, § 46.002 and are compensated on a salary basis by the state at $101,700 (2002) and $101,700 (2003).	$ 13,729,500	$ 13,729,500
A.1.6. Strategy: SALARY SUPPLEMENT Salary supplementation for two assistant district attorneys of the Fifty-third Judicial District (Travis County) per Government Code, § 43.132, at $2,808 (2002) and $2,808 (2003).	$ 5,616	$ 5,616

A.1.7. Strategy: FELONY PROSECUTORS: TRAVEL Expenses of felony prosecutors while engaged in the actual performance of their duties whose prosecutorial district is composed of more than one county per Government Code, § 43.004, not to exceed $1,750 per county.	$	291,750	$	291,750
A.1.8. Strategy: FELONY PROSECUTORS: SALARY Salaries of one criminal district attorney per Government Code, § 44.220 (Jackson); and one county attorney performing the duties of a district attorney per Government Code, § 45.175 (Fayette): at $81,360 (2002) and $81,360 (2003); and one county attorney performing the duties of a district attorney per Government Code, § 45.280 (Oldham) at $52,860 (2002) and $52,860 (2003).	$	215,580	$	215,580
A.1.9. Strategy: PROSECUTORS: EXPENSES For the payment of salaries of assistant district attorneys, investigators and/or secretarial help and expenses, including travel for these personnel as determined by the district attorney, criminal district attorney and county attorneys designated in Strategies A.1.4, A.1.5, A.1.8, A.1.11, and A.1.12. Reimbursement shall be limited to expenses for supplies or items which would normally be consumed or utilized within the fiscal year for which the funds in this item are designated. Payments shall not exceed $34,450 per district per year in multicounty districts and $17,050 per district per year in single-county districts and $34,450 for both multicounty and single-county districts for those district attorneys, criminal district attorneys and county attorneys performing the duties of a district attorney prohibited from the private practice of law per Government Code, Chapter 46; and shall be made available in three equal installments issued on the first day of September, January and May of each fiscal year. These payments shall be made directly to the district attorney, criminal district attorney, or county attorney for the purposes of disbursement as required by the attorney. The attorney receiving these payments shall be responsible to the Comptroller for accounting for all expenditures of these funds.	$	5,217,950	$	5,217,950
A.1.10. Strategy: PUBLIC INTEGRITY UNIT Apportionment to fund the operation of the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District (Travis County) for the payment of salaries and other necessary expenses for the operation of the Public Integrity Unit to be used for the investigation and prosecution of motor fuel tax fraud cases; insurance fraud cases; offenses involving an elected or appointed official of state government or an officer or employee of an agency of the state; and offenses relating to state government with	$	3,016,447	$	3,191,018

respect to which prosecution, jurisdiction and venue, by law, lie in Travis County.			
A.1.11. Strategy: PROSECUTORS: SUBCHAPTER C Apportionment payable to County Officers Salary Fund in counties where there is a district attorney per Government Code, § 43.180 (Harris), not receiving a state salary, pursuant to Government Code, § 41.201. Estimated.	$ 112,728	$ 112,728	
A.1.12. Strategy: RAINS COUNTY ATTORNEY Salary apportionment payable to the Officer Salary Fund for a county attorney performing the duties of a district attorney in Rains County per Government Code, § 45.290. Estimated.	$ 24,408	$ 24,408	
A.1.13. Strategy: WITNESS EXPENSES Expenses of witnesses called in criminal proceedings who reside outside of the county where the trial is held pursuant to Articles 24.28 and 35.27, Code of Criminal Procedure, VTCA. Estimated.	$ 1,100,000	$ 1,100,000	
A.1.14. Strategy: PRISON PROSECUTION UNIT	$ 2,193,788	$ 2,193,788	
A.1.15. Strategy: RETIRED JUDGES - REGIONS Provide payment to retired JRS members who are assigned to administrative judicial regions as visiting judges. Estimated.	$ 5,509,425	$ 5,509,425	
A.1.16. Strategy: RETIRED JUDGES - APPELLATE Provide payment to retired JRS members who are assigned to appellate courts as visiting judges. Estimated.	$ 938,300	$ 938,300	
A.1.17. Strategy: CO. COUNTY JUDGE GR SUPPLEMENT Provide salary supplement to constitutional county judges whose functions are at least 40 percent judicial pursuant to VTCA, Government Code, § 26.006. Estimated.	$ 1,080,000	$ 1,080,000	
A.1.18. Strategy: ADMINISTRATIVE JUDGE SUPPLEMENT Provide salary supplement to local administrative judges who serve in counties with more than six district courts pursuant to VTCA, Government Code, § 659.0125. Estimated.	$ 45,000	$ 45,000	
A.1.19. Strategy: COUNTY ATTORNEY SUPPLEMENT Provide salary supplement to county attorneys and county prosecutors pursuant to VTCA, Government Code, § 46.0031. Estimated.	$ 4,254,450	$ 4,254,450	
A.1.20. Strategy: STATUTORY CO. JUDGE GR SUPPLEMENT Provide general revenue portion of salary supplement to statutory county judges pursuant to Government Code, § 25.0015. Estimated.	$ 810,000	$ 810,000	
A.1.21. Strategy: DEATH PENALTY REPRESENTATION Death penalty habeas representation.	$ 2,000,000	$ 2,000,000 & UB	
A.1.22. Strategy: STATUTORY CO. JUDGE 573 SUPPLEMENT Provide salary supplement from appropriated receipts to statutory county judges pursuant to Government Code, § 25.0015. Appropriation of all receipts remitted to the state pursuant to Government Code, § 51.702(d). Estimated.	$ 4,974,851	$ 4,974,851	

A.1.23. Strategy: CO. COUNTY JUDGE 573 SUPPLEMENT Provide salary supplement from appropriated receipts to constitutional county judges pursuant to Government Code, § 26.007. Appropriation of all receipts remitted to the state pursuant to Government Code, § 51.703(d). Estimated.	$ 1,216,665	$ 1,216,665
A.1.24. Strategy: STATUTORY PROBATE JUDGE SUPPLEMENT Provide salary supplement from appropriated receipts to statutory probate county judges pursuant to Government Code, § 25.00211. Appropriation of all receipts remitted to the state pursuant to Government Code, § 51.704(c). Estimated.	$ 608,866	$ 608,866
A.1.25. Strategy: NATIONAL CENTER FOR STATE COURTS Membership assessment on behalf of the Texas judiciary for the National Center for State Courts. Estimated.	$ 251,802	$ 266,910
Total, Goal A: JUDICIARY SECTION	$ 93,807,126	$ 93,996,805
Grand Total, JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT	$ 93,807,126	$ 93,996,805
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 71,503,237	$ 71,575,644
General Revenue Fund - Insurance Companies Maintenance Tax and Insurance Department Fees	1,060,212	1,124,564
Subtotal, General Revenue Fund	$ 72,563,449	$ 72,700,208
Other Funds		
State Highway Fund No. 006	895,299	948,219
Criminal Justice Grants	1,547,996	1,547,996
Judicial Fund No. 573	18,800,382	18,800,382
Subtotal, Other Funds	$ 21,243,677	$ 21,296,597
Total, Method of Financing	$ 93,807,126	$ 93,996,805
Number of Full-Time-Equivalent Positions (FTE):	573.0	573.0
Schedule of Exempt Positions:		
District Judges and Criminal District Judges (Strategy A.1.1.)	(418) $101,700	(418) $101,700
District Attorneys, Criminal District Attorneys, and County Attorneys performing the duties of District Attorney (Strategies A.1.4. and A.1.8.)	(17) 81,360	(17) 81,360
District Attorneys, Criminal District Attorneys, and County Attorneys performing the duties of District Attorney (Strategy A.1.8.)	52,860	52,860

District Attorneys, Criminal District Attorneys, and County Attorneys performing the duties of District Attorney subject to Government Code, Chapter 46 (Strategy A.1.5.)	(135) 101,700	(135) 101,700
Assistant District Attorneys, Fifty-third Judicial District (Travis County) (Srategy A.1.6.)	(2) 2,808	(2) 2,808
Supplemental Appropriations Made in Riders:	$ 1,277,118	$ 1,277,118

1. **Appropriation Source.** Pursuant to VTCA, Government Code § 21.006, all revenues to, and fund balances in, the Judicial Fund No. 573, which are not deposited into the Basic Civil Legal Services account, are hereby appropriated to the Judiciary Section, Comptroller's Department. In the event that revenues into Fund No. 573 during a fiscal year exceed the amount identified in the Method of Financing as being appropriated out of Fund No. 573 in this Act for that fiscal year the difference shall be appropriated to the Judiciary Section, Comptroller's Department and the General Revenue Fund appropriation for that fiscal year shall be reduced by a like amount (estimated to be $2,554,236).

2. **Appropriation Source, Public Integrity Unit.** Out of the funds appropriated above in Strategy A.1.10, $1,955,511 in fiscal year 2002 and $2,072,783 in fiscal year 2003 is appropriated specifically to facilitate motor fuel tax fraud and insurance fraud investigations by the Public Integrity Unit in the District Attorney's Office of the Fifty-third Judicial District. It is the intent of the Legislature that the funds specified in the Method of Financing as being appropriated out of the State Highway Fund No. 006 and the General Revenue Fund Insurance Companies Maintenance Tax and Insurance Department Fees be allocated to the appropriation made above in Strategy A.1.10. In no event shall the amount of general revenue funds allocated and/or granted to the Public Integrity Unit, other than the General Revenue Fund Insurance Companies Maintenance Tax and Insurance Department Fees identified in this provision, exceed $1,060,936 in fiscal year 2002 and $1,118,235 in fiscal year 2003. In no event shall any funds appropriated above out of the Judicial Fund No. 573 be allocated to the Public Integrity Unit.

3. **Salary Limitation, District Judges.** Funds appropriated above in Strategy A.1.1. shall be expended for the payment of the state salary for each district judge. However, in no event shall the aggregate, excluding any county supplement, of the state paid salary and any service retirement annuity paid pursuant to Government Code, Chapter 834 exceed the base salary for any district court judge during any twelve month period. If a district judge draws a salary as a district judge and a retirement annuity pursuant to Government Code, Chapter 834, and the combined amounts exceed the annual base salary for a district judge, the amount expended out of Strategy A.1.1. for the state salary of that district judge shall be reduced by an amount which will bring the total amount received by the judge to the base salary paid a district judge for a twelve month period. This provision does not apply to either retired or former judges or justices called to duty as visiting judges pursuant to Government Code, Chapters 74 and 75 and § 24.604 of the Government Code.

4. **Prison Prosecution Unit.** Out of the funds appropriated above in Strategy A.1.14. and under the authority of Article 104.003, Code of Criminal Procedure, and Article V, § 21 of the Texas Constitution, Walker County is allocated an amount not to exceed $1,547,996 in criminal justice grants and $645,792 from general revenue in 2002; and $1,547,996 in criminal justice grants and $645,792 from general revenue in 2003, through the Judiciary Section of the Office of the Comptroller of Public Accounts, for the payment of salaries and other necessary expenses for the operation of the Special Prison Prosecution Unit. The funds are to be used for the investigation and prosecution of felony offenses committed by prisoners of the Texas Department of Criminal Justice; for the investigation and prosecution of other felonies and

misdemeanors committed by agency employees and others when criminal conduct affects the operation of the agency in the various counties of the State where Texas Department of Criminal Justice facilities are located; and for the civil commitment of sexually violent predators program.

The funds appropriated above in Strategy A.1.14. shall be used to employ the services of legal and support staff plus the payment of their necessary capital and operating expenses in carrying out the purposes of the Special Prison Prosecution Unit as established by its Board of Directors which is made up of those elected prosecutors who have Texas Department of Criminal Justice facilities within their respective counties.

Walker County is the designated agency to administer the funds provided for the support of the Special Prison Prosecution Unit. Walker County shall submit a voucher containing an itemized statement of expenses to include salaries, fringe benefits and authorized expenses incurred to the Comptroller's Judiciary Section each month of the fiscal year. Such vouchers shall be reviewed by the Walker County Auditor's Office to ensure compliance with applicable State and County regulations concerning the expenditures of public funds. Upon receipt of said vouchers, the Comptroller's Judiciary Section shall issue warrants each month to reimburse Walker County. The total reimbursement each year shall not exceed the amount appropriated.

The Special Prison Prosecution Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on activities of the Prison Prosecution Unit.

5. **Trial Court Measures.** Each district court judge shall provide an annual report no later than September 20, to the Office of Court Administration, indicating the Clearance Rate during the previous year. A Clearance Rate is calculated by dividing the total number of cases disposed by the total number of cases added to the docket.

6. **Public Integrity Unit Performance Reporting.** The Public Integrity Unit shall submit a report each January 1 to the Legislative Budget Board and the Governor for the preceding fiscal year ending August 31. The report must be in a format prescribed by the Legislative Budget Board and the Governor and must include annual statistical information on fraud investigations of the Public Integrity Unit.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 2,556,353	$ 2,607,480
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 8,454,979	$ 9,589,948
A.1.3. Strategy: JUDICIAL RETIREMENT, PLAN 2 Maintain an actuarially sound retirement program for state judicial officers. Estimated.	$ 7,817,338	$ 8,090,945

RETIREMENT AND GROUP INSURANCE
(Continued)

A.1.4. Strategy: JUDICIAL RETIREMENT, PLAN 1 Provide for the payment of JRS-1 benefits and refunds as required by law. Estimated.	$ 22,853,578	$ 23,490,118
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 41,682,248	$ 43,778,491
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 41,682,248	$ 43,778,491
Method of Financing:		
General Revenue Fund, estimated	$ 40,152,436	$ 42,149,991
Judicial Fund No. 573, estimated	1,016,254	1,051,823
Other Special State Funds, estimated	513,558	576,677
Total, Method of Financing	$ 41,682,248	$ 43,778,491

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 6,968,181	$ 7,107,545
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 825,588	$ 765,856
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 7,793,769	$ 7,873,401
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 7,793,769	$ 7,873,401
Method of Financing:		
General Revenue Fund, estimated	$ 6,947,663	$ 7,013,302
Other Special State Funds, estimated	846,106	860,099
Total, Method of Financing	$ 7,793,769	$ 7,873,401

LEASE PAYMENTS

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 2,234,739	$ 2,232,875 & UB
Grand Total, LEASE PAYMENTS	$ 2,234,739	$ 2,232,875

SPECIAL PROVISIONS - JUDICIARY

Sec. 2. **Judicial Salary Enforcement.** Each District Court Judge and Justice of the Courts of Appeals shall file a sworn statement with the Comptroller of Public Accounts setting forth the yearly amounts to be received from state and county as salary payments during the ensuing fiscal year. Amended statements shall be filed setting forth any change in the salary rate which occurs during a fiscal year.

For the purpose of salary payments by the state, the Comptroller of Public Accounts shall determine from the filed statements that the required salary differential set out in VTCA, Government Code § 659.012 is maintained. In the event a salary is in excess of the differential provided by law, the Comptroller is directed to reduce the state's portion of that salary by the amount of excess.

The appropriations for salaries of District Court Judges and Justices of Courts of Appeals are made contingent upon strict compliance with the provisions of this section and the Comptroller shall have no authority to issue a warrant for salaries which violate these provisions.

Sec. 3. **Public Integrity Unit.** In Strategy A.1.10, Public Integrity Unit, Judiciary Section, Comptroller's Department, warrants shall be drawn as necessary to reimburse the District Attorney of the 53rd Judicial District for salary and expenses previously incurred. The District Attorney shall submit a voucher containing an itemized statement of expenses to substantiate each claim. This appropriation shall be allocated in three equal installments over the fiscal year. Any unencumbered, unexpended balance existing in a previous allocation period may be used in a subsequent period provided that period occurs within the same fiscal year.

Sec. 4. **Restriction, New District Courts.** No new district court may be funded until it has been approved by the commissioner's court of the county or a majority of the counties in that district.

Sec. 5. **Transfer of Cases.** The Chief Justices of the fourteen courts of appeals are encouraged to cooperate with the Chief Justice of the Supreme Court to transfer cases between appellate courts which are in neighboring jurisdictions in order to equalize the disparity between the workloads of the various courts of appeals.

Sec. 6. **Voice Recording.** It is the intent of the Legislature that the Supreme Court and Court of Criminal Appeals will promulgate rules authorizing the use of voice or video recording technology, including CD ROM, to make a record of court proceedings. The Legislature does not intend that the recording be a substitute for the written transcript.

Sec. 7. **Systems Compatibility.** No funds shall be utilized to purchase information technology unless it interfaces with other courts and with the Office of Court Administration and complies with the plans filed with the Legislative Budget Board.

Sec. 8. **Appropriation: Unexpended Balances.** Any unexpended balances from appropriations made to the appellate courts for fiscal year 2001 are hereby appropriated to the same court for fiscal year 2002 for the same purposes (estimated to be $1,000,000). Any unexpended balances from appropriations made to the appellate courts for fiscal year 2002 are appropriated to the same court for fiscal year 2003 for the same purposes. It is the intent of the Legislature that the unexpended balance amount the appellate courts carry forward from fiscal year 2001 to fiscal year 2002 may not be included in the baseline amount requested in the appellate courts' Legislative Appropriations Requests prepared for the 2004–05 biennium.

Sec. 9. **Judicial Internship Program.** It is the intent of the Legislature that the Judicial Branch cooperate with law schools to establish a judicial internship program for Texas appellate and trial courts. The Judicial Branch is encouraged to work with the Texas Judicial Council in the development of the judicial internship program.

Sec. 10. **Appellate Court Exemptions.** The following provisions of Article IX of this Act do not apply to the appellate courts:

a. Article IX, § 6.14, Limitation on State Employment Levels
b. Article IX, § 6.17, Limit on Expenditures–Capital Budget
c. Article IX, § 6.31, Performance Rewards and Penalties

Sec. 11. **Appellate Court Salary Limits.** It is the intent of the Legislature that no intermediate appellate court may pay more than one chief staff attorney promoted or hired after September 1, 2001, more than $71,001 annually under this provision. Further, it is the intent of the Legislature that no intermediate appellate court may pay other permanent legal staff hired or promoted after September 1, 2001, more than $60,142 annually. This provision does not apply to law clerk positions at any appellate court.

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Supreme Court of Texas	$ 4,032,762	$ 4,022,022
Court of Criminal Appeals	4,298,977	4,298,977
Rider Appropriations	500,000	0
Total	4,798,977	4,298,977
First Court of Appeals District, Houston	2,609,543	2,609,543
Second Court of Appeals District, Fort Worth	2,100,897	2,101,477
Third Court of Appeals District, Austin	1,904,044	1,904,045
Fourth Court of Appeals District, San Antonio	2,068,358	2,068,358
Fifth Court of Appeals District, Dallas	3,711,408	3,711,408
Sixth Court of Appeals District, Texarkana	1,071,779	1,071,779
Seventh Court of Appeals District, Amarillo	1,402,396	1,402,395
Eighth Court of Appeals District, El Paso	1,385,670	1,385,670
Ninth Court of Appeals District, Beaumont	1,069,910	1,069,909
Tenth Court of Appeals District, Waco	1,102,814	1,102,814
Eleventh Court of Appeals District, Eastland	1,050,817	1,050,816
Twelfth Court of Appeals District, Tyler	1,101,472	1,101,472
Thirteenth Court of Appeals District, Corpus Christi	1,918,044	1,918,544
Fourteenth Court of Appeals District, Houston	2,598,045	2,598,044
Office of Court Administration, Texas Judicial Council	13,932,876	18,008,393
Office of the State Prosecuting Attorney	341,215	341,215
State Law Library	908,894	896,894
Court Reporters Certification Board	156,525	156,735
State Commission on Judicial Conduct	936,402	893,403
Judiciary Section, Comptroller's Department	72,563,449	72,700,208
Subtotal, Judiciary	$ 122,766,297	$ 126,414,121
Retirement and Group Insurance	40,152,436	42,149,991
Social Security and Benefit Replacement Pay	6,947,663	7,013,302
Subtotal, Employee Benefits	$ 47,100,099	$ 49,163,293
Lease Payments	2,234,739	2,232,875
Article IV, Special Provisions, Rider Appropriations	1,000,000	0
TOTAL, ARTICLE IV - THE JUDICIARY	$ 173,101,135	$ 177,810,289

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Office of Court Administration, Texas Judicial Council	$ 1,075,000	$ 1,075,000
Subtotal, Judiciary	$ 1,075,000	$ 1,075,000
TOTAL, ARTICLE IV - THE JUDICIARY	$ 1,075,000	$ 1,075,000

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
TOTAL, ARTICLE IV - THE JUDICIARY	$ 0	$ 0

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Supreme Court of Texas	$ 3,550,000	$ 3,250,000
Rider Appropriations	3,250,000	0
Total	6,800,000	3,250,000
Court of Criminal Appeals	8,550,000	8,550,000
Rider Appropriations	500,000	0
Total	9,050,000	8,550,000
Office of Court Administration, Texas Judicial Council	4,753,946	4,787,526
State Law Library	41,100	41,100
Judiciary Section, Comptroller's Department	21,243,677	21,296,597
Rider Appropriations	1,277,118	1,277,118
Total	22,520,795	22,573,715
Subtotal, Judiciary	$ 43,165,841	$ 39,202,341
Retirement and Group Insurance	1,529,812	1,628,500
Social Security and Benefit Replacement Pay	846,106	860,099
Subtotal, Employee Benefits	$ 2,375,918	$ 2,488,599
Less Interagency Contracts	$ 4,755,345	$ 4,788,925
TOTAL, ARTICLE IV - THE JUDICIARY	$ 40,786,414	$ 36,902,015

RECAPITULATION - ARTICLE IV
THE JUDICIARY
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Supreme Court of Texas	$ 7,582,762	$ 7,272,022
Rider Appropriations	3,250,000	0
Total	10,832,762	7,272,022
Court of Criminal Appeals	12,848,977	12,848,977
Rider Appropriations	1,000,000	0
Total	13,848,977	12,848,977
First Court of Appeals District, Houston	2,609,543	2,609,543
Second Court of Appeals District, Fort Worth	2,100,897	2,101,477
Third Court of Appeals District, Austin	1,904,044	1,904,045
Fourth Court of Appeals District, San Antonio	2,068,358	2,068,358
Fifth Court of Appeals District, Dallas	3,711,408	3,711,408
Sixth Court of Appeals District, Texarkana	1,071,779	1,071,779
Seventh Court of Appeals District, Amarillo	1,402,396	1,402,395
Eighth Court of Appeals District, El Paso	1,385,670	1,385,670
Ninth Court of Appeals District, Beaumont	1,069,910	1,069,909
Tenth Court of Appeals District, Waco	1,102,814	1,102,814
Eleventh Court of Appeals District, Eastland	1,050,817	1,050,816
Twelfth Court of Appeals District, Tyler	1,101,472	1,101,472
Thirteenth Court of Appeals District, Corpus Christi	1,918,044	1,918,544
Fourteenth Court of Appeals District, Houston	2,598,045	2,598,044
Office of Court Administration, Texas Judicial Council	19,761,822	23,870,919
Office of the State Prosecuting Attorney	341,215	341,215
State Law Library	949,994	937,994
Court Reporters Certification Board	156,525	156,735
State Commission on Judicial Conduct	936,402	893,403
Judiciary Section, Comptroller's Department	93,807,126	93,996,805
Rider Appropriations	1,277,118	1,277,118
Total	95,084,244	95,273,923
Subtotal, Judiciary	$ 167,007,138	$ 166,691,462
Retirement and Group Insurance	41,682,248	43,778,491
Social Security and Benefit Replacement Pay	7,793,769	7,873,401
Subtotal, Employee Benefits	$ 49,476,017	$ 51,651,892
Lease Payments	2,234,739	2,232,875
Article IV, Special Provisions, Rider Appropriations	1,000,000	0
Less Interagency Contracts	$ 4,755,345	$ 4,788,925
TOTAL, ARTICLE IV - THE JUDICIARY	$ 214,962,549	$ 215,787,304
Number of Full-time Equivalent Positions (FTE)	1,323.5	1,323.5

ARTICLE V

PUBLIC SAFETY AND CRIMINAL JUSTICE

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

ADJUTANT GENERAL'S DEPARTMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROVIDE CAPABLE RESPONSE		
To provide a professional, fully-trained force capable of responding to federal and state requirements.		
A.1.1. Strategy: MANAGEMENT, OPERATIONS AND TRAINING	$ 1,369,000	$ 1,369,000
Execute an effective personnel management, operations and training program to ensure accomplishment of federal and state missions.		
Efficiencies:		
Average Cost of Management, Operations and Training Support Per Guardsperson	19.05	19.05
Explanatory:		
Authorized Military Strength	20,870	20,870
A.2.1. Strategy: FACILITIES/EQUIPMENT MODERNIZATION	$ 11,363,861	$ 11,986,097
Pursue effective facilities and equipment modernization and maintenance programs while sustaining a security program for selected facilities (excludes facilities on Texas Military Facilities Commission property).		
Efficiencies:		
Total Maintenance Cost Per Square Foot of All Buildings (Less Those on Texas Military Facilities Commission Property)	2.38	2.25
A.2.2. Strategy: DEBT SERVICE	$ 4,582,065	$ 4,806,663
Support the Texas Military Facilities Commission in the construction and maintenance of new armories by paying rent (includes debt service on outstanding revenue bonds, insurance, and administrative fees).		
A.2.3. Strategy: UTILITIES	$ 3,698,911	$ 3,708,906
Pay for the cost of the department's utilities and sustain a comprehensive and effective utilities conservation program throughout the department, including armories.		
Efficiencies:		
Utilities Cost Per Square Foot, All Buildings	.64	.64
Total, Goal A: PROVIDE CAPABLE RESPONSE	$ 21,013,837	$ 21,870,666
B. Goal: COMMUNITY SUPPORT		
Expand and maintain individual and unit involvement that supports and adds value to our communities and tells the Guard story.		
B.1.1. Strategy: COMMUNITY SUPPORT	$ 3,159,400	$ 3,159,400
Expand the department's community support program to include all department personnel.		

Output (Volume):		
Number of Missions Performed Supporting Federal, State, and Local Drug Law Enforcement Agencies	680	680
C. Goal: PURSUE CLEANER ENVIRONMENT		
Aggressively pursue a cleaner environment through the identification and correction of deficiencies and implementation of environmental protection measures.		
C.1.1. Strategy: ENVIRONMENTAL CLEAN-UP	$ 2,998,000	$ 2,998,000
Conduct environmental remediation/restoration, compliance and conservation/prevention projects throughout the department.		
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADM & SUPP COSTS	$ 8,652,000	$ 8,652,000
Indirect administration.		
Grand Total, ADJUTANT GENERAL'S DEPARTMENT	$ 35,823,237	$ 36,680,066
Method of Financing:		
General Revenue Fund	$ 13,170,707	$ 13,004,082
Adjutant General Federal Fund No. 449	22,202,530	23,225,984
Other Funds		
Appropriated Receipts	275,000	275,000
Interagency Contracts - Transfer from Foundation School Fund No. 193	175,000	175,000
Subtotal, Other Funds	$ 450,000	$ 450,000
Total, Method of Financing	$ 35,823,237	$ 36,680,066
Number of Full-Time-Equivalent Positions (FTE):	459.0	459.0
Schedule of Exempt Positions:		
Adjutant General, Group 3	$94,832	$94,832

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

	2002	2003
a. Construction of Buildings and Facilities	$ 1,000,000	$ 2,093,000
b. Repair or Rehabilitation of Buildings and Facilities	875,000	375,000
Total, Capital Budget	$ 1,875,000	$ 2,468,000

Method of Financing (Capital Budget):

General Revenue Fund	$ 700,000	$ 300,000
Adjutant General Federal Fund No. 449	1,175,000	2,168,000
Total, Method of Financing	$ 1,875,000	$ 2,468,000

2. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Adjutant General's Department for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance, including organization, of units of the Texas State Guard supplementing the Texas National Guard or replacing National Guard units inducted into federal service.

3. **Transferability.** The Adjutant General's Department is hereby authorized to transfer such amounts as may be necessary from one strategy to another strategy. No transfers shall be made into Strategy A.2.2, Debt Service.

4. **Travel Limitations.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department shall pay the travel expenses of members of the National Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas National Guard.

5. **Payment of Travel - Limitation.** None of the funds appropriated above may be expended for the payment of travel of any officer or employee, except the Adjutant General of the State of Texas, Assistant Adjutant General-Army, Assistant Adjutant General-Air, and State Judge Advocate or the Adjutant General's designee for any one of these officers, to meetings of the National Guard Association of the United States.

6. **Armory Closure.** It is the intent of the Legislature that the Adjutant General's Department not close any armories due solely to insufficient funds to pay for utilities.

7. **Armory Utilities.** The Adjutant General's Department shall study each armory to ensure utility costs are kept to a minimum and the Adjutant General's Department shall charge rental fees for armories that are comparable to fees charged for similar facilities in the area where the armory is located. In any case, the rent charged must be adequate to recover any additional utility costs associated with the rental of the armory.

8. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.

9. **Road Construction and Maintenance at Camp Mabry Facilities.** The Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Camp Mabry facilities.

10. **Quarters and Utilities Allowance.** The Adjutant General, Assistant Adjutant General-Air, and the Assistant Adjutant General-Army are authorized to live in state-owned housing as set forth in Article IX, § 9.09 of this Act. The Adjutant General's Department may also allocate existing department housing to other department employees with a demonstrated need based on location and job description at a rate in accordance with Article IX, § 9.09 of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

11. **Appropriation - Billet Receipts.** All billet receipts in excess of those shown in the method of finance above ($275,000 per fiscal year-Appropriated Receipts) are hereby appropriated for use in Strategy A.2.1, Facilities/Equipment Modernization.

12. **Unexpended Balances, Payments to National Guard for State Active Duty.** Any unexpended balances as of August 31, 2002, in Strategy A.1.1, Management, Operations and Training, for payments to the National Guard for State Active Duty, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

13. **Cash Flow Contingency.** Contingent upon the receipt of federal funds, the Adjutant General's Department may temporarily utilize additional general revenue funds, pending receipt of federal reimbursement, in an amount not to exceed $3 million in each year of the biennium. The general revenue amounts utilized above the Department's general revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. At the end of each fiscal year, the $3 million must be repaid by November 30 of the following fiscal year. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller of Public Accounts. All transfers of the method of finance shall be reported by the Department to the Governor and the Legislative Budget Board.

14. **Travel Limitations - State Guard.** Subject to the travel limitations set out in the General Provisions of this Act, the Adjutant General's Department may pay the travel expenses of members of the Texas State Guard when said members are acting as official representatives of the Adjutant General's Department on behalf of the Texas State Guard.

15. **Seaborne/ChalleNGe Youth Education Program.** Out of funds appropriated above in Strategy B.1.1, Community Support, $175,000 is appropriated from the Foundation School Program Fund for each year of the biennium. In the event the available amount is greater than $175,000 in each year, general revenue funds equal to the difference between the Foundation School Program funds and $175,000 shall lapse to the unobligated portion of the General Revenue Fund.

ALCOHOLIC BEVERAGE COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: REGULATE DISTRIBUTION To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of enforcement and education.		
Outcome (Results/Impact):		
Percentage of Licensed Establishments Inspected Annually	70%	70%
A.1.1. Strategy: DETER/DETECT VIOLATIONS Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverage laws.	$ 15,061,321	$ 15,635,669
Output (Volume):		
Number of Inspections Made	106,000	106,000
Efficiencies:		
Average Cost Per Inspection	142.76	147.16

B. Goal: PROCESS TABC APPLICATIONS		
Process alcoholic beverage license/permit applications and issue licenses/permits in compliance with the Alcoholic Beverage Code.		
Outcome (Results/Impact):		
Percent of Original License/Permit Applications Processed within 14 Days	99%	99%
B.1.1. Strategy: ENSURE LAW COMPLIANCE	$ 1,650,628	$ 1,654,714
Ensure compliance with laws regarding ownership of permits/licenses, tax security, and other licensing requirements.		
Output (Volume):		
Number of Licenses/Permits Issued	90,972	90,972
Efficiencies:		
Average Cost Per License/Permit Processed	23.41	23.25
C. Goal: COLLECT FEES AND TAXES		
To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages.		
Outcome (Results/Impact):		
Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions	25.5%	25.5%
C.1.1. Strategy: COMPLIANCE MONITORING	$ 2,391,833	$ 2,415,767
Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.		
Output (Volume):		
Number of Inspections, Analyses and Compliance Activities	83,200	83,200
Efficiencies:		
Average Cost Per Inspection, Analysis, and Compliance Activity	29.52	29.75
C.2.1. Strategy: PORTS OF ENTRY	$ 2,667,159	$ 2,668,113
Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes. Nontransferable.		
Output (Volume):		
Number of Alcoholic Beverage Containers and Cigarette Packages Stamped	4,476,300	4,476,300
Total, Goal C: COLLECT FEES AND TAXES	$ 5,058,992	$ 5,083,880
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,392,652	$ 1,392,652
D.1.2. Strategy: INFORMATION RESOURCES	$ 1,060,683	$ 1,062,804
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 524,922	$ 526,343
Total, Goal D: INDIRECT ADMINISTRATION	$ 2,978,257	$ 2,981,799
Grand Total, ALCOHOLIC BEVERAGE COMMISSION	$ 24,749,198	$ 25,356,062

Method of Financing:		
General Revenue Fund	$ 24,332,734	$ 24,899,598
Appropriated Receipts	54,000	94,000
Interagency Contracts	362,464	362,464
Total, Method of Financing	$ 24,749,198	$ 25,356,062
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 7,218,554	$ 7,659,998
Number of Full-Time-Equivalent Positions (FTE):	527.5	527.5
Number of FTEs in Riders:	13.0	13.0
Schedule of Exempt Positions:		
Administrator, Group 3	$91,000	$91,000
Supplemental Appropriations Made in Riders:	$ 627,766	$ 334,066

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Wide Area Network Equipment	$ 39,400	$ 33,500
(2) Computer Equipment - Leased	151,065	269,090
(3) Mainframe Lease	300,227	300,000
Total, Acquisition of Information Resource Technologies	$ 490,692	$ 602,590
b. Transportation Items		
(1) Fleet Acquisition (74 Vehicles)	553,500	963,500
Total, Capital Budget	$ 1,044,192	$ 1,566,090

2. **Hazardous Duty Pay Authorized.** The Texas Alcoholic Beverage Commission is authorized to pay hazardous duty pay at a rate of $7.00 per month for each year of state service up to and including the thirtieth year of service, to any commissioned law enforcement personnel as prescribed by law.

   It is further provided that individuals who had received hazardous duty pay as of August 31, 1981, shall continue to receive hazardous duty pay for the biennium beginning with the effective date of this Act. Individuals hired after August 31, 1981, shall not receive hazardous duty pay unless so authorized by § 659.062, Government Code.

3. **Witness Expenses Authorized.** No other provisions of this Article shall prevent payment by the State of Texas of salaries and expenses incurred by representatives of the Texas Alcoholic

Beverage Commission in attendance on state or federal grand jury proceedings, and who may be called as witnesses in the trial of criminal or civil cases in state or federal courts involving offenses complained of against state or federal liquor regulatory or revenue laws. It is further provided that any fees collected by such representatives in performing such duties shall be deposited in the State Treasury to the credit of the appropriations made above.

4. **Revolving Fund.** The revolving change fund created by prior Legislatures in the amount of $10,000 for use at the several International Bridges is hereby appropriated for the biennium beginning with the effective date of this Act for the same purposes (estimated to be $10,000).

5. **State Police Agency.** For purposes of application to the federal government for licenses, permits, or other authorizations, including radio frequencies, or for law enforcement assistance grants, the Texas Alcoholic Beverage Commission shall be considered a state police agency in accordance with the Alcoholic Beverage Code and other applicable laws.

6. **Fleet of Motor Vehicles Authorized.** It is the intent of the Legislature that the agency purchase and maintain a fleet of vehicles. If these vehicles are unmarked for law enforcement purposes, these vehicles shall be utilized only by personnel who are commissioned peace officers or those persons responsible for the maintenance and repair of these vehicles. Vehicles which are properly marked pursuant to state requirements, may be utilized for other legitimate agency purposes as needed by personnel employed in the Enforcement and Compliance Divisions.

7. **Purchase of Evidence Authorized.** From the amounts authorized above, the Texas Alcoholic Beverage Commission is hereby authorized to establish a cash fund not to exceed $50,000 for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Commission.

8. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item “Other Direct and Indirect Costs Appropriated Elsewhere in this Act.” In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

9. **Agent Training.** It is the intent of the Legislature that the Texas Alcoholic Beverage Commission, as part of its initial and ongoing training of its certified peace officers, emphasize the evidentiary threshold required in prosecution of criminal cases as it applies to minors in possession of alcoholic beverages.

10. **Clothing Provisions.**

    a. A commissioned officer who received a $1,200 clothing allowance pursuant to the General Appropriations Act during the 2000–01 biennium shall receive a $1,200 clothing allowance in the 2002–03 biennium.

    b. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

    c. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a $500 cleaning allowance. No rank other than that of Agent is entitled to a $500 cleaning allowance.

d. The Texas Alcoholic Beverage Commission may purchase uniforms for Tax Collectors at International Bridges.

11. **Contingency Appropriation for Bridges.** In addition to the amounts appropriated above in Strategy C.2.1, Ports of Entry, $508,518 in fiscal year 2002 and $240,818 in fiscal year 2003 from General Revenue are hereby appropriated to the Texas Alcoholic Beverage Commission for the purposes of constructing and manning booths at the ports of entry. These appropriations are contingent on the issuance of a finding of fact by the Comptroller of Public Accounts, based on information provided by the Commission, that the increase in tax revenues and ports of entry administrative fees collected on alcoholic beverages and cigarettes during the 2002–03 biennium will be in excess of the Comptroller's Biennial Revenue Estimate in an amount sufficient to fund the appropriations above and the direct and indirect costs of $29,518 related to this appropriation. Should the Comptroller of Public Accounts not be able to issue a finding of fact for the total amount indicated above, the Comptroller of Public Accounts may issue a finding of fact on any amount up to the total amounts indicated above. Also contingent on the finding of fact, the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by nine for fiscal year 2002 and nine for fiscal year 2003. Funds directed by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

12. **Contingency Appropriations.** In addition to the amounts appropriated above in Strategy B.1.1, Ensure Law Compliance, $109,248 in fiscal year 2002 and $93,248 in fiscal year 2003 from General Revenue are hereby appropriated to the Texas Alcoholic Beverage Commission contingent upon the Texas Alcoholic Beverage Commission increasing fees and surcharges, pursuant to § 5.50, Alcoholic Beverage Code, by $213,133 and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits. Also contingent on the Texas Alcoholic Beverage Commission meeting the above revenue target, the "Number of Full-Time-Equivalent Positions (FTE)" indicated above is increased by four FTEs each fiscal year of the biennium.

DEPARTMENT OF CRIMINAL JUSTICE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROVIDE PRISON DIVERSIONS		
To provide diversions to traditional prison incarceration by the use of community supervision and other community-based programs.		
Outcome (Results/Impact):		
Felony Community Supervision Annual Revocation Rate	9.3%	9.3%
A.1.1. Strategy: BASIC SUPERVISION	$ 100,355,443	$ 101,405,397
Secure and distribute funding necessary to provide adequate basic community supervision services that meet required levels of supervision.		
Output (Volume):		
Total Felony Offenders under Direct Supervision	162,540	164,263
A.1.2. Strategy: DIVERSION PROGRAMS	$ 65,321,956	$ 65,321,956
Allow for the development of programs to divert adult offenders to community-based programs and away from traditional incarceration.		

Output (Volume):		
Number of Residential Facility Beds Grant Funded	2,315	2,315
A.1.3. Strategy: COMMUNITY CORRECTIONS	$ 44,906,752	$ 44,906,752
Provide formula-allocated aid to community-based correctional programs to encourage the development of alternatives to incarceration.		
Output (Volume):		
Number of Residential Facility Beds Funded	723	723
Total, Goal A: PROVIDE PRISON DIVERSIONS	$ 210,584,151	$ 211,634,105
B. Goal: SPECIAL NEEDS OFFENDERS		
To provide a comprehensive continuity of care system for special needs offenders through statewide collaboration and coordination.		
Outcome (Results/Impact):		
Percent of Reduction in Arrests	25%	25%
B.1.1. Strategy: SPECIAL NEEDS PROJECTS	$ 15,879,733	$ 15,879,733
Provide projects that coordinate multi-agency efforts for special needs offenders through case management and treatment services.		
Output (Volume):		
Number of Special Needs Offenders Served through the Continuity of Care Programs	8,666	8,666
C. Goal: INCARCERATE FELONS		
To provide for confinement, supervision, rehabilitation and reintegration of adult felons.		
Outcome (Results/Impact):		
Escaped Offenders as Percentage of Number of Offenders Incarcerated	0.0064%	0.0064%
Three-year Recidivism Rate	30.5%	30.5%
Turnover Rate of Correctional Officers	18%	18%
C.1.1. Strategy: SECURITY/CLASSIFICATION	$ 936,433,639	$ 943,812,887
Provide security resources and a classification system that ensures an appropriate environment.		
Output (Volume):		
Number of Offenders Incarcerated	144,778	144,778
C.1.2. Strategy: INSTITUTIONAL GOODS/SERVICES	$ 417,159,889	$ 417,524,823
Provide goods and services necessary to house and maintain the inmate population and operate institutional facilities.		
Efficiencies:		
Support Services Cost Per Inmate Day	8.66	8.67
C.1.3. Strategy: PSYCHIATRIC CARE	$ 44,999,108	$ 44,999,108
Maintain and support a professional psychiatric care program capable of providing quality services to all inmates.		
Output (Volume):		
Psychiatric Inpatient Average Daily Census	1,950	1,950
C.1.4. Strategy: MANAGED HEALTH CARE	$ 280,764,671	$ 285,706,671
Maintain and support a professional managed health care program capable of providing quality services to all inmates.		
Efficiencies:		
Medical Care Cost Per Inmate Day	5.61	5.65
C.1.5. Strategy: CONTRACTED/TEMPORARY CAPACITY	$ 36,372,394	$ 29,966,363
Provide for payments to counties and private entities for correctional bed capacity on a contractual/temporary basis.		

Explanatory:		
Average Number of Inmates in Contractual Correctional Bed Capacity	2,491	2,052
C.2.1. Strategy: TEXAS CORRECTIONAL INDUSTRIES	$ 71,719,856	$ 72,037,856
Prepare the inmate for reintegration into society by providing the opportunity for on-the-job training in Texas Correctional Industries.		
Output (Volume):		
Number of Inmates Assigned to the Texas Correctional Industries Program	7,200	7,200
C.2.2. Strategy: ACADEMIC/VOCATIONAL TRAINING	$ 7,071,473	$ 7,071,473
Offer post-secondary academic and vocational training needed for the further development of mental and job skills.		
Output (Volume):		
Inmate Students Enrolled	17,754	17,931
C.2.3. Strategy: TREATMENT SERVICES	$ 15,860,641	$ 15,860,642
Provide screening during the diagnostic/intake process that identifies special needs and appropriate services as needed.		
Output (Volume):		
Number of Sex Offenders Receiving Psychological Counseling while on Parole/Mandatory Supervision	1,300	1,300
C.2.4. Strategy: SUBSTANCE ABUSE TREATMENT	$ 68,262,558	$ 68,262,559
Provide a substance abuse treatment program with well-defined goals that includes a highly structured work environment, education, a graded system of rewards/sanctions, regular scheduled evaluation, and provides for post-release continuum of care.		
Output (Volume):		
Number of Confinees Completing Treatment in Substance Abuse Felony Punishment Facilities (SAFPF)	5,869	5,898
C.3.1. Strategy: CONTRACT PRISONS/PRIVATE ST JAILS	$ 128,099,285	$ 131,206,200
Contract for prisons that provide eligible inmates with full-time work, education and/or programming; and contract for privately operated state jails.		
Output (Volume):		
Number of Offenders in Contract Prisons and Privately Operated State Jails	11,375	11,375
Total, Goal C: INCARCERATE FELONS	$ 2,006,743,514	$ 2,016,448,582
D. Goal: ACCEPT INMATES IN 45 DAYS		
Ensure that there are adequate housing and support facilities for convicted felons during confinement.		
D.1.1. Strategy: FACILITIES CONSTRUCTION	$ UB	$ 80,000,000
Construction and repair of facilities.		
D.1.2. Strategy: LEASE-PURCHASE OF FACILITIES	$ 18,812,395	$ 18,821,108
Provide for lease-purchase of facilities.		
Total, Goal D: ACCEPT INMATES IN 45 DAYS	$ 18,812,395	$ 98,821,108
E. Goal: OPERATE PAROLE SYSTEM		
To provide supervision and administer the range of options and sanctions available for felons' reintegration back into society following release from confinement.		
Outcome (Results/Impact):		
Releasee Annual Revocation Rate	11.8%	11.8%

E.1.1. Strategy: BOARD OF PARDONS & PAROLES	$ 9,390,603	$ 9,446,930
Consider eligible prisoners for release prior to completion of their sentence of confinement, exercise statutory authority for decision-making relative to parole or acts of clemency, and conduct revocation hearings as required by law.		
Output (Volume):		
Number of Parole Cases Considered	73,000	73,000
E.1.2. Strategy: PAROLE SELECTION	$ 14,429,060	$ 14,480,544
Provide necessary support to the Board of Pardons and Paroles and ensure compliance with all statutory requirements for parole, mandatory release, and executive clemency actions.		
Output (Volume):		
Number of Parole Cases Processed	37,881	38,147
E.2.1. Strategy: PAROLE SUPERVISION	$ 84,368,958	$ 85,566,282
Supervise releasees according to legally-mandated ratios.		
Output (Volume):		
Number of Pre-revocation Warrants Issued	37,600	37,600
E.2.2. Strategy: RESIDENTIAL PAROLE	$ 43,348,890	$ 43,365,895
Provide sufficient resources to ensure adequate surveillance and control of clients residing in pre-parole transfer, halfway houses, and work release facilities; and ensure residents receive appropriate assistance in making the transition from prison to community life.		
Output (Volume):		
Average Number of Pre-parole Transferees in Pre-parole Transfer Facilities	2,300	2,300
E.2.3. Strategy: PAROLE SANCTIONS	$ 18,616,478	$ 18,616,478
Provide facilities for the temporary confinement of technical parole/mandatory release violators which serve as a punitive option to full revocation.		
Output (Volume):		
Average Number of Releasees in Intermediate Sanction Facilities	1,651	1,651
Total, Goal E: OPERATE PAROLE SYSTEM	$ 170,153,989	$ 171,476,129
F. Goal: INDIRECT ADMINISTRATION		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 41,571,207	$ 41,571,207
F.1.2. Strategy: INFORMATION RESOURCES	$ 27,357,159	$ 22,667,389
F.1.3. Strategy: OTHER SUPPORT SERVICES	$ 4,655,394	$ 4,655,394
Total, Goal F: INDIRECT ADMINISTRATION	$ 73,583,760	$ 68,893,990
Grand Total, DEPARTMENT OF CRIMINAL JUSTICE	$ 2,495,757,542	$ 2,583,153,647
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 2,304,881,159	$ 2,324,079,699
Education and Recreation Program Receipts	69,573,520	69,573,520
Texas Correctional Industries Receipts	12,282,000	12,600,000
Subtotal, General Revenue Fund	$ 2,386,736,679	$ 2,406,253,219

General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	2,690,332	2,690,332
Subtotal, General Revenue Fund - Dedicated	$ 2,690,332	$ 2,690,332
Federal Funds		
Federal Funds	417,026	417,026
Federal Funds for Incarcerated Aliens	31,324,281	31,324,281
Subtotal, Federal Funds	$ 31,741,307	$ 31,741,307
Other Funds		
Criminal Justice Grants	3,969,676	3,949,240
Appropriated Receipts	23,407,268	11,307,269
Interagency Contracts	7,856,974	7,856,974
Bond Proceeds - General Obligation Bonds	UB	80,000,000
Governor's Emergency and Deficiency Grant	3,250,000	3,250,000
Interagency Contracts - Texas Correctional Industries	36,105,306	36,105,306
Subtotal, Other Funds	$ 74,589,224	$ 142,468,789
Total, Method of Financing	$ 2,495,757,542	$ 2,583,153,647
Number of Full-Time-Equivalent Positions (FTE):	42,678.2	42,723.2
Schedule of Exempt Positions:		
Executive Director, Group 6	$150,000	$150,000
Chair, Board of Pardons & Paroles, Group 3	82,500	82,500
Parole Board Member, Group 3	(17) 80,000	(17) 80,000
Supplemental Appropriations Made in Riders:	$ 9,000,000	$ 0

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

	2002	2003
a. Acquisition of Land and Other Real Property		
(1) Lease Payments (MLPP) for 1996-97 Acquisitions	$ 199,604	$ 0
b. Construction of Buildings and Facilities		
(1) Lease-purchase of Facilities	18,812,395	18,821,108
(2) Expansion of the Western Regional Medical Facility	0	7,874,317
Total, Construction of Buildings and Facilities	$ 18,812,395	$ 26,695,425
c. Repair or Rehabilitation of Buildings and Facilities	UB	72,125,683
d. Construction of Roads	UB	UB

e. Acquisition of Information Resource Technologies		
(1) Computer and Software Acquisitions	8,516,546	3,826,776
(2) Lease Payments (MLPP) for 1998-99 Acquisitions	29,346	0
(3) Reengineering Project	UB	UB
Total, Acquisition of Information Resource Technologies	$ 8,545,892	$ 3,826,776
f. Transportation Items	1,593,750	1,593,750
g. Acquisition of Capital Equipment and Items	3,005,308	2,934,498
Total, Capital Budget	$ 32,156,949	$ 107,176,132
Method of Financing (Capital Budget):		
General Revenue Fund	$32,156,949 &UB	$27,176,132 &UB
Bond Proceeds - General Obligation Bonds	UB	80,000,000 &UB
Total, Method of Financing	$ 32,156,949	$ 107,176,132

2. **Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries of engineers, architects, superintendents, supervisors and administrative expenses and support personnel of construction projects; architectural fees and the actual and necessary travel expenses incurred by them or their representatives in making special trips of inspection at the instance of the Board of Criminal Justice or the Department of Criminal Justice's Executive Director or designee during construction or repair of buildings or installation of fixed equipment in such buildings. The State Classification Officer shall approve job titles and rates of pay for such salaried positions.

3. **Temporary Loan of Construction Resources.** The Texas Department of Criminal Justice (TDCJ) may temporarily utilize materials and equipment acquired and personnel paid from one project appropriated for construction, repairs, and renovation, including construction of additional capacity, and building maintenance, to construct any other similar project for which funds have been appropriated. The receiving project must reimburse the providing project within twelve months with funds and/or a like amount of materials, equipment, equipment usage or personnel of equivalent value. Reimbursement with funds may be accomplished by transfer in a manner which records appropriate expenditures to the borrowing project and negative expenditures to the lending project. These transfers may be summary amounts in a manner approved by the Comptroller of Public Accounts. However, the TDCJ must maintain adequate detailed records to support such summary transfer amounts.

4. **Appropriation: Unexpended Balances of Construction Bonds.** Any unexpended balances as of August 31, 2001, for the Texas Department of Criminal Justice (TDCJ) in the general obligation bond appropriations made by the Seventy-sixth Legislature and Seventy-seventh Legislature for construction appropriations are hereby appropriated to the TDCJ for the biennium beginning September 1, 2001, provided that such appropriated funds shall not be expended without approval of the Board of Criminal Justice and that copies of such approvals shall be filed with the Governor and the Legislative Budget Board. Unexpended balances appropriated for the 2002–03 biennium may be used only for facilities repair and rehabilitation projects and shall not be used for the construction of additional facilities. (fiscal year 2001 UB estimated to be $5,000,000).

5. **Architectural Fees.** Notwithstanding other provisions of this Act, in those instances where inmate labor is used on construction projects, the Department of Criminal Justice is authorized to pay architectural fees based on the estimated total cost of a project as if it were to be done by a private contractor. The Department shall employ an independent firm, separate from the architect, to estimate the total cost of a project. Architectural fees based on the estimated cost shall be governed by other provisions of this Act.

6. **Construction Encumbrances.** Any funds legally encumbered for construction contracts for projects which are in effect as of August 31, 2001, are considered encumbered and may be carried forward to fiscal year 2002.

7. **Oversight of Construction Projects.** The Department of Criminal Justice shall contract with the Texas Youth Commission and the Juvenile Probation Commission to provide construction management services for all Youth Commission and Juvenile Probation Commission construction projects involving the expenditure of bond funds.

8. **Review of Construction Change Orders.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ), upon the review of any change order, develop a procedure whereby cause of such change order shall be determined and documented in the project file. If it is determined that the change was necessitated by the error or omission of any contracted party, the TDCJ shall hold such party financially responsible.

9. **Utilization of Existing Correctional Facilities.** It is the intent of the Legislature that full consideration be given to utilizing existing correctional facilities located in the State of Texas and currently owned or operated by federal or local governments. Appropriations to the Department may be used for the purposes of leasing, purchasing or contracting for operations if agreements can be reached which are beneficial to the State.

10. **Prison Construction Prioritization.** It is the intent of the Legislature that the Department of Criminal Justice prioritize any construction of additional capacity in such a way as to ensure the expeditious completion of any units on which work had been started and subsequently suspended.

11. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Department of Criminal Justice is authorized to adjust salaries of the following position series to rates within the designated salary group for the purpose of recruiting, employing, and retaining career correctional personnel:

    a. Correctional Officer;
    b. Sergeant, Lieutenant, Captain, and Major of Correctional Officers;
    c. Food Service Manager;
    d. Laundry Manager;
    e. Caseworker and Parole Officer; and
    f. Human Services Technician and Case Manager.

    Merit raises are prohibited for all employees who are receiving or are eligible to receive step adjustments in the career ladder system. However, the Texas Department of Criminal Justice is authorized to adjust the salary of employees in the positions identified above in an amount not less than 4 percent or $1,200 per year, whichever is greater. This authority may be utilized only for an employee who would not otherwise receive a career ladder adjustment during the 2002–03 biennium. It is the intent of the Legislature that all employees progressing through a career ladder receive at least a 4 percent or $1,200 increase, whichever is greater, during the 2002–03 biennium.

12. **Appropriation: Meals Authorized.** Department employees assigned to work inside correctional facilities or on travel status may receive up to two free meals per shift and employees residing in employee dormitories may receive three free meals per day. None of the funds appropriated above shall be utilized to provide meals to other employees for a charge of less than $1.00 per meal or to grow, purchase, prepare, or provide food products for employees to use at their homes. All meal fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $18,887 in fiscal year 2002 and $18,887 in fiscal year 2003 are hereby appropriated to the Department for the same purpose.

13. **Restriction, Food Service.** The Texas Department of Criminal Justice may provide food items to employees in employee dining facilities, only after the food requirements of inmates are met. The food served to inmates shall be of the same quality as food served to employees.

14. **Payroll Deduction.** Fees for employee services will be made by payroll deduction whenever practical.

15. **Benefit Policy Required.** The Board of Criminal Justice shall adopt a written policy relating to benefits provided in Riders 12 and 17 specifying the criteria used to award these benefits to employees, and shall develop a system to account for all costs related to these benefits and all revenues from collection of fees. The Board of Criminal Justice policy shall be filed annually with the Governor, the Legislative Budget Board, and the Legislative Reference Library.

16. **Appropriation: State-owned Housing Authorized.**

    a. The Department's Regional Directors, Chief Wardens, Assistant Wardens, Majors of Correctional Officers, Captain of Correctional Officers, Lieutenant of Correctional Officers, Kennel Sergeants, Maintenance Supervisors, and Fire/Safety Managers at each facility are authorized to live in state-owned housing at rental rates determined by the Department.

    b. Other Department employees may live in available state-owned housing as set forth in Article IX, § 9.09, State Owned Housing - Recover Housing Costs of this Act.

    c. All fees received for employee housing are appropriated above in Strategy C.1.2, Institutional Goods/Services to be used for maintaining employee housing. Any fees collected in excess of $442,749 in fiscal year 2002 and $442,749 in fiscal year 2003 are hereby appropriated to the Department for the same purpose.

    d. Notwithstanding Article IX, § 9.09 the Department may allocate housing at reduced or no cost to employees with a demonstrated need based on location and job description.

17. **Appropriation: Laundry Service.** The Department may launder or dry clean the uniforms of correctional officers at no charge. None of the funds appropriated above may be used to launder or dry clean other employee clothing or to provide other services unless fees are charged to recover the cost of providing the services. All fees collected for laundry and other related services are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $736,809 in fiscal year 2002 and $736,809 in fiscal year 2003 are hereby appropriated to the Department for the same purpose.

18. **Inmate Labor.** It is the intent of the Legislature that inmate labor not be used to provide personal services for employees. Inmate labor may be used to provide maintenance and upkeep to state property and equipment.

19. **Employee Medical Care.** Appropriations made in this Act not otherwise restricted in use may also be expended to provide medical attention and hospitalization by correctional medical

staff and the correctional hospital facilities, or to pay necessary medical expenses for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.

20. **Compensatory Time.** Exceptions to the prohibition against substituting other days for holidays may be authorized by the Director of the Texas Department of Criminal Justice for employees who are required to work on holidays due to the continuing operation of the Department. Any employee who is required to work on any of the holidays authorized in the general provisions of this Act, and who does work on any of the said holidays, shall be entitled to compensating time off to be taken on such day as may be mutually agreed upon by the employee and his supervisor.

21. **Hazardous Duty Pay.** It is the legislative intent that all persons receiving hazardous duty pay as of August 31, 1985, continue to receive it. However, all persons hired after August 31, 1985, must occupy positions approved by the Texas Board of Criminal Justice and meet statutory criteria to receive hazardous duty pay.

22. **Employment Limitation.** It is the intent of the Legislature that no one shall be employed by the Department of Criminal Justice who, in the course of his official duties, conducts business with individuals or firms with which the employee has either a direct or indirect financial interest.

23. **Grievance Procedures.** The Board of Criminal Justice shall maintain employee disciplinary and grievance procedures in compliance with this section.

    The Board's disciplinary procedures shall allow an employee of the department to be represented by a designee of the employee's selection who may participate in the hearing on behalf of an employee charged with any type of disciplinary violation.

    The Board's grievance procedure shall attempt to solve problems through a process which recognizes the employee's right to bring grievances pursuant to the procedures in this section. The grievance procedure shall include either independent mediation or independent, non-binding arbitration of disputes between the employer and the employee if the disciplining authority recommends that the employee be terminated or the employee is terminated.

    Any grievance or disciplinary hearing in which a department employee serves as a representative shall be held during normal business hours on a week day, unless the employer and employee agree otherwise. The employee subject to the hearing attends such hearing as a part of regular employment duties. An employee representative who is a department employee must obtain prior approval to be placed on unpaid leave to attend a hearing.

    Nothing in this provision shall authorize expenditures of appropriated funds not authorized elsewhere in this Act.

24. **Transfer Authority within and between Goals.** Subject to capital budget provisions contained in this Act, the Texas Department of Criminal Justice is authorized to transfer such amounts as may be necessary within appropriations made for each goal.

    Funds may be transferred between goals; provided, that before any transfer between goals which will have the cumulative effect of changing expenditures for any goal by more than 20

percent of the amount appropriated for that goal for the fiscal year, written notification of intent to transfer be provided the Governor, the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations Committee.

25. **Petty Cash Fund Authorized.** The local Petty Cash Revolving Fund in the amount of $10,000 is continued for the biennium beginning September 1, 2001, and may be used to advance or reimburse transfer agents and for the care and maintenance of convicted felons while enroute to the department from points in Texas and elsewhere in the United States; and for the payment of C.O.D. freight and express charges and similar items requiring immediate cash disbursements. The funds shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

26. **Revolving Fund Authorized.** The local Inmate Release Revolving Fund of $500,000 is continued for each year of the biennium beginning September 1, 2001, and is deposited in a bank or banks in Texas; and all inmates released on parole, mandatory supervision, discharge, or conditional pardon shall be paid out of this fund. The fund shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.

27. **Appropriation: Agriculture Receipts.** It is the intent of the Legislature that each year of the biennium the Texas Department of Criminal Justice (TDCJ) may exchange agricultural products for other agricultural products and finished goods, and all revenue accruing from the sale of agricultural commodities or livestock and other revenues as they apply to sales of equipment, salvage, refunds and to recover damage claims are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any revenues collected in excess of $5,006,526 in fiscal year 2002 and $5,006,526 in fiscal year 2003 are hereby appropriated to the Department for agricultural operations. Any unexpended balance up to $2,000,000 remaining from revenues on August 31, 2001, and August 31, 2002, is appropriated to allow for continuity of agricultural production and sales cycles which do not conform to fiscal years (fiscal year 2001 UB estimated to be $0).

28. **Appropriation: Acceptance of Grants, Gifts.** The Board of Criminal Justice is authorized to accept federal grants, donations and gifts, including those of real property, for the programs and projects of the agency. All such gifts, donations, and grants are appropriated above in Strategy C.1.1, Security/Classification, for the purposes for which they are made available; provided, however, that in taking advantage of or accepting such funds, the Board shall not incur any indebtedness which would necessitate a supplemental or additional appropriation out of any funds of this State nor deplete any of the funds herein appropriated to an amount which would necessitate a supplemental or additional appropriation out of any funds of this state to replenish said fund or funds.

29. **Appropriation: Controlled Substance Receipts.** All funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code, VTCA, by the Texas Department of Criminal Justice are hereby appropriated above in Strategy F.1.1, Central Administration, to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year (fiscal year 2001 UB estimated to be $0).

30. **Supply Revolving Fund Authorized.** The State Comptroller shall establish a separate account from which consumable supply costs shall be paid. From funds herein appropriated, the Department may establish, maintain, and operate on a reimbursable basis a supply revolving fund which will contribute to the efficiency and economical operation of the Department.

Rules shall be established to avoid depletion of the revolving fund. To reimburse the fund from which expenditures are made, the Department may make fund transfers from the appropriations of the activities which receive the supplies or may submit purchase vouchers through the Office of the State Comptroller.

31. **Appropriation: Texas Correctional Industries Receipts.** All receipts collected from the sales of products produced by Texas Correctional Industries (TCI) are appropriated above in Strategy C.2.1, Texas Correctional Industries. Any receipts collected in excess of $48,387,306 in fiscal year 2002 and $48,705,306 in fiscal year 2003 are hereby appropriated to the Department for the continued production of TCI goods and services. Any unexpended and unobligated balance up to $5,000,000 remaining from TCI revenues on August 31, 2001, and August 31, 2002, is appropriated to the Department for the same purpose. The State Comptroller shall transfer any unobligated fund balances from Texas Correctional Industries receipts in excess of $5,000,000 to the General Revenue Fund at the end of each fiscal year. (fiscal year 2001 UB estimated to be $4,000,000).

32. **Appropriation: Unexpended Balances for Increased Offender Populations.** In order to operate new correctional facilities or programs necessary for increased offender populations under the Department's supervision, unexpended balances from appropriations made to the Department of Criminal Justice for fiscal year 2002 are hereby appropriated to the Department for fiscal year 2003 contingent upon written notification to the Governor and the Legislative Budget Board by the Texas Board of Criminal Justice, not less than 30 days prior to encumbrance, which details the amount and purpose of expenditures of funds carried forward into fiscal year 2003 under authority of this provision.

33. **Transfer Limitation.** Upon any order from a federal court that requires the Texas Department of Criminal Justice to transfer funds from any appropriation made hereinabove, those funds which were attempted to be transferred shall lapse and the Comptroller shall return the amount appropriated to its respective source.

34. **Reengineering.** It is the intent of the Legislature that the Department of Criminal Justice automate the offender management function to the greatest extent possible. To this end, the Department may contract for automation/reengineering assistance after receiving prior approval from the Legislative Budget Board. Funds for this payment may come from benefits and savings as realized.

35. **Council on Impaired Offenders.** The Department shall continue current administrative, client services, and services of the Council on Offenders with Mental Impairments.

36. **Payments - County Prosecutors.** Out of funds appropriated above the district clerks in counties with Texas Department of Criminal Justice operational correctional facilities are to be allocated during each year of the biennium, an amount not to exceed $12,000 annually, to be allocated in equal monthly installments for the purpose of supporting enhanced efforts to prosecute persons charged with controlled substances violations on Texas Department of Criminal Justice property.

37. **Appropriation: Recreational Facility Fees.** Fees charged for recreation facilities owned and operated by the Department are to be deposited in a special account with the Comptroller of Public Accounts. All recreational facility fees received are appropriated above in Strategy C.1.2, Institutional Goods/Services. Any fees collected in excess of $27,837 in fiscal year 2002 and $27,837 in fiscal year 2003 are hereby appropriated to the Department for continued operation and maintenance of the Department's recreational facilities. Any balances on hand August 31, 2001, are hereby appropriated for the 2002–03 biennium for the operation and maintenance of the facilities (fiscal year 2001 UB estimated to be $0).

38. **Purchasing Through Request for Proposal.** The Texas Department of Criminal Justice may purchase care, treatment services, and residential services through the Request for Proposal process.

    The Texas Department of Criminal Justice shall:

    a. negotiate purchases to achieve fair and reasonable prices at rates that do not exceed any maximum provided by law, and

    b. select service providers according to each provider's qualifications and demonstrated competence.

39. **Parole Supervision Ratio.** It is the intent of the Legislature that in fiscal years 2002 and 2003 a ratio of 75 active releasees to one parole officer be maintained. The ratio will be calculated by dividing the number of supervising parole officers and caseworkers currently employed into the total number of releasees supervised, exclusive of those under intensive and super intensive supervision, for which a ratio of 25 and 20 releasees to one supervising officer respectively is to be maintained. In the event that this ratio is not maintained, the Texas Department of Criminal Justice shall file a statement documenting the reasons for noncompliance with the Governor and the Legislative Budget Board.

40. **Misdemeanor Funding.** The Texas Department of Criminal Justice shall distribute funds at a rate not to exceed $.70 per day for each misdemeanor defendant directly supervised by a community supervision and corrections department. Funding for each misdemeanor defendant may not exceed the period of time authorized by statute.

41. **Battering Intervention Program.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, the Texas Department of Criminal Justice shall allocate $1,250,000 in fiscal year 2002 and $1,250,000 in fiscal year 2003 for funding the Battering Intervention and Prevention Program (BIPP) in the manner required by Article 42.141 of the Code of Criminal Procedure. The BIPP funding shall be from the GR-Dedicated Compensation to Victims of Crime Account No. 469. The BIPP shall be administered using a statewide allocation of direct grants from TDCJ to local non-profit organizations in the manner described in VTCA, Government Code § 509.011. Funds subject to this provision shall be allocated at the local level and designated for use only for these programs. Funds subject to this provision may not be utilized for administrative expenses of local community supervision and corrections departments nor may they be used to supplant local funding.

42. **Appropriation: Refunds of Unexpended Balances from CSCDs.** The Texas Department of Criminal Justice (TDCJ) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of this biennium by local community supervision and corrections departments (CSCDs). All fiscal years 2000–01 refunds received from CSCDs by TDCJ are appropriated above in Strategies A.1.1, Basic Supervision, A.1.2, Diversion Programs, A.1.3, Community Corrections, and C.2.4, Substance Abuse Treatment. Any Basic Supervision refunds received in excess of $5,600,000 in fiscal year 2002 are hereby appropriated to TDCJ for Basic Supervision. Any Diversion Programs refunds received in excess of $2,300,000 in fiscal year 2002 are hereby appropriated to TDCJ for Diversion Programs. Any Community Corrections refunds received in excess of $3,200,000 in fiscal year 2002 are hereby appropriated to TDCJ for Community Corrections. Any Substance Abuse Treatment refunds received in excess of $1,000,000 in fiscal year 2002 are hereby appropriated to TDCJ for the Treatment Alternative to Incarceration Program.

43. **Transportation - Substance Abuse.** The Department of Criminal Justice shall provide transportation for inmates who are released from Substance Abuse Felony Punishment (SAFP) or In-Prison Therapeutic Community (IPTC) facilities and transferred to a residential setting.

44. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to release. Not later than March 1, 2002, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2002–03 biennium with the Texas Department of Criminal Justice at no less than the funding and performance levels maintained as of August 31, 2001.

45. **Aircraft Authorization.** The Texas Department of Criminal Justice (TDCJ) is authorized to own or lease, operate, and maintain one aircraft and to replace it if necessary. In the event that a temporary need arises, the TDCJ is authorized to expend funds for the lease or rental of aircraft on an as-needed basis.

46. **Expenditure Limitation - Windham School District.** None of the funds provided to the Windham School District through the Texas Education Agency shall be expended unless the Board of Criminal Justice has approved an annual operating budget for the school district prior to the expenditure of any funds. The Department of Criminal Justice shall file a copy of that operating budget of the Windham School District with the Governor, the Legislative Budget Board and the appropriate legislative oversight committees at the beginning of each fiscal year.

47. **Residential Status of Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

48. **Postsecondary Education Programs.** Postsecondary education courses shall only be available to inmates who have:

    a. demonstrated a clear and convincing record of rehabilitation while incarcerated, and

    b. demonstrated an interest in a field of study that lends itself to performing specific and beneficial tasks while incarcerated, and

    c. demonstrated the aptitude and capabilities to do college level study.

    The costs of such postsecondary education programs shall be reimbursed by the inmate as a condition of parole.

    The Department of Criminal Justice shall not provide in-cell tutoring for inmates who are in administrative segregation.

    The Department of Criminal Justice may not transfer appropriations out of Strategy C.2.2, Academic/Vocational Training.

49. **Appropriation: Education and Recreation Program Receipts.** All receipts collected from the operation of facility commissaries and all gifts and other income for inmate welfare accruing together with Education and Recreation Program account balances at the beginning of each year of the biennium beginning September 1, 2001 are hereby appropriated above in Strategy C.1.2, Institutional Goods/Services to the Department of Criminal Justice subject to the following provisions:

a. all receipts collected shall be deposited in accordance with applicable statutes: (1) in the General Revenue Fund of the State Treasury; (2) in trust with the State Comptroller; or (3) in a local bank account on approval by the State Comptroller.

b. salaries of personnel employed by the Education and Recreation Program shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.

c. funds deposited in Education and Recreation Program accounts shall be expended only with the advance, written approval of the Board of Criminal Justice.

d. it is the intent of the Legislature that Education and Recreation Program receipts be expended first for the construction, maintenance, equipment and operations of recreational facilities and for the income producing operations of the program. Any remaining balances may be expended for other programs benefiting the welfare of department confinees.

Any Education and Recreation Program receipts collected in excess of $69,573,520 in fiscal year 2002 and $69,573,520 in fiscal year 2003 are hereby appropriated to the Department subject to the above-cited provisions.

50. **Private Sector Prison Industries Oversight Authority.** Out of funds appropriated above in Strategy E.2.2, Residential Parole, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Private Sector Prison Industries Oversight Authority in accordance with VTCA, Government Code § 497.055 and provisions of this Act related to the per diem of board or commission members.

51. **Appropriation: Sex Offender Notification Fees.** All fees collected from offenders for reimbursement to local law enforcement authorities for costs incurred in providing notice for publication to a newspaper in accordance with VTCA, Government Code § 508.186, are appropriated above in Strategy E.2.1, Parole Supervision, for reimbursing local law enforcement authorities. Any fees collected in excess of $10,000 in fiscal year 2002 and $10,000 in fiscal year 2003 are hereby appropriated to the Department for the same purpose.

52. **Appropriation: Parole Supervision Fees.** All parole supervision fees collected from offenders in accordance with VTCA, Government Code § 508.182, are appropriated above in Strategy E.2.1, Parole Supervision. Any fees collected in excess of $8,985,000 in fiscal year 2002 and $10,108,000 in fiscal year 2003 are hereby appropriated to the Department for parole supervision.

53. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Department of Criminal Justice may transfer appropriations in an amount not to exceed $150 million made for fiscal year 2003 to fiscal year 2002, subject to the following conditions provided by this section:

a. transfers under this section may be made only:

(1) if correctional populations exceed the capacity of the Department, or

(2) if Federal Funds for Incarcerated Aliens appropriated in fiscal year 2002 to the Department are not received in the amount identified in the method of finance for that year, or

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

b. a transfer authorized by this section above must receive the prior approval of the Governor and the Legislative Budget Board.

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

54. **Texas Correctional Industries Advisory Committee.** Out of funds appropriated above in Strategy C.2.1, Texas Correctional Industries, the Texas Department of Criminal Justice shall provide reimbursement of travel expenses incurred by members of the Texas Correctional Industries Advisory Committee for duties performed in accordance with VTCA, Government Code § 497.003 and subject to provisions of this Act related to the per diem of board or commission members.

55. **Appropriation: Unexpended Balances of Reengineering Project Funds.** Any unexpended balances as of August 31, 2001, in appropriations made to the Texas Department of Criminal Justice in Strategy F.1.2, Information Resources, for reengineering are hereby appropriated to the Department for the biennium beginning September 1, 2001, for continuation of the Department's reengineering project (estimated to be $0).

56. **Harris County Boot Camp.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, $6,500,000 in fiscal year 2002 and $6,500,000 in fiscal year 2003 in discretionary grants shall be made to the Harris County Community Supervision and Corrections Department for the continued operations of the Harris County Boot Camp.

57. **Chaplaincy Programs.** Out of funds appropriated above in Strategy C.2.3, Treatment Services, the Texas Department of Criminal Justice shall allocate $150,000 in fiscal year 2002 and $150,000 in fiscal year 2003 to fund the enhancement of Chaplaincy Programs.

58. **Managed Health Care - Reporting Requirements.** The Correctional Managed Health Care Committee is required to submit to the Legislative Budget Board and Governor a report detailing:

a. correctional managed health care actual and projected expenditures for on-site, off-site and pharmaceutical costs;

b. health care cost for inmates over age 55 including utilization data; and

c. other health care information determined by the Office of the Governor and the Legislative Budget Board.

Such reports shall be submitted on a quarterly basis.

59. **Managed Health Care - Actuarial Study.** The Correctional Managed Health Care Committee shall contract for a biennial actuarial study of its capitation rate including an analysis of costs that should be included or excluded in developing its on-site and off-site capitation rates.

60. **Managed Health Care Operational Shortfalls.** For the purpose of offsetting operational shortfalls occurring in correctional managed health care and out of funds appropriated above, the Department shall transfer funds as necessary into Strategy C.1.4, Managed Health Care, for payment to the Correctional Managed Health Care Committee to address any managed health care operational shortfalls for fiscal years 2002–03, not to exceed $5 million for the biennium. If the Department and Committee do not agree on transfer amounts deemed necessary, supporting documentation shall be provided to the Governor and the Legislative Budget Board. The Governor and Legislative Budget Board shall then make the final decision.

61. **Computer Refurbishing Program.** The Texas Department of Criminal Justice shall develop and implement an inmate work program in which donated, second-hand computers are refurbished in prisons for use by public schools.

62. **Parole Transitional Support Program.** Out of funds appropriated above in Strategy A.1.1, Basic Supervision, TDCJ shall transfer $50,000 for each fiscal year of the 2002–03 biennium to Strategy E.2.1, Parole Supervision, to be used to support the Transitional Support Program. The TDCJ shall use these funds for the sole purpose of providing contracts for services with recognized non-profit organizations in order to facilitate parolees with their transition from incarceration to release on parole. The contracted services shall emphasize and promote family support and involvement in the transition and should establish the goal of reducing recidivism rates of the individuals who participate in the program.

63. **Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in the general provisions of this Act, the Texas Department of Criminal Justice is hereby authorized to expend funds appropriated to the Texas Department of Criminal Justice for the acquisition of capital budget items and unforeseen building maintenance as approved by the Texas Board of Criminal Justice.

64. **Contracted Temporary Capacity.** The Texas Department of Criminal Justice shall develop a plan to reduce capacity in Strategy C.1.5, Contracted Temporary Capacity, when the TDCJ inmate population falls below 145,006. This number is the equivalent of 5,000 beds below the operational capacity of 150,006. The department shall inform the Governor and the Legislative Budget Board when this point has been reached. The department, working in conjunction with the Criminal Justice Policy Council, shall develop within 30 days a plan to reduce contracted temporary capacity and implement the plan upon approval of the Governor and the Legislative Budget Board. Upon approval by the Legislative Budget Board and the Governor, savings generated by the reduction in contracted temporary capacity shall be utilized by the department for the following programs:

    (1) Community Corrections Residential Beds (maximum of 500 beds and must be through contractual arrangements);
    (2) Major Maintenance and Repair/Rehabilitation of TDCJ Facilities; and
    (3) Community Supervision Specialized Caseloads.

65. **Career Ladder Adjustments.** Funds appropriated above to the Texas Department of Criminal Justice (TDCJ) in Strategy C.1.1, Security/Classification; Strategy C.1.2, Institutional Goods/Services; Strategy E.1.1, Board of Pardons and Paroles; Strategy E.1.2, Parole Selection; and Strategy E.2.1, Parole Supervision, include $103,587,860 to fully implement salary adjustments for correctional officers and ranking staff, laundry and food service managers, and parole officers and case managers. Notwithstanding other provisions of this Act, these funds shall not be used for other purposes without the prior written approval of the Governor and the Legislative Budget Board. It is the intent of the Legislature that these funds assist the department in the recruitment and retention of qualified correctional staff. To document these efforts, TDCJ shall submit a biennial report on its recruitment and retention efforts to the Governor and the Legislative Budget Board not later than January 1, 2003. The report shall include information on vacancy rates, turnover rates, average years of service, and average number of continuing education training hours for security and nonsecurity staff.

66. **Mental Health Services.** Funds appropriated above to the Texas Department of Criminal Justice (TDCJ) in Strategy A.1.2, Diversion Programs, and Strategy B.1.1, Special Needs Projects, include $31,000,000 for enhanced mental health services. Funds appropriated in Strategy A.1.2, Diversion Programs, include $8,000,000 to establish specialized mental health caseloads. Funds appropriated in Strategy B.1.1, Special Needs Projects, include $10,000,000 to provide case management and mental health services for juvenile probationers, $5,000,000 for

aftercare mental health services for parolees under the supervision of the Texas Youth Commission, and $6,000,000 to provide case management and mental health services for adult probationers.

67. **Treatment Alternative to Incarceration Program.** The Texas Department of Criminal Justice is directed to expend at least $6.5 million each year of the biennium on the Treatment Alternative to Incarceration Program as specified in Government Code § 76.017.

68. **Contract Review.** It is the intent of the Legislature that the Texas Department of Criminal Justice shall review its contracts with county jails and private vendors that provide contract services to the department for prison, parole, and state jail beds. The department shall determine whether contracts with counties and private vendors pay an appropriate rate to retain an adequate capacity of contract beds to ensure that the state will not face a shortage of prison capacity during the next biennium. The department shall first review the contracts which have the lowest rates and have not had rate increases for the longest period of time. If the department determines that rate increases are necessary, it may fund such increases out of funds appropriated.

69. **Inmate Phone System.** The Texas Board of Criminal Justice may institute a pilot program through which inmates in state jails will be permitted to make telephone calls at the discretion of employees of the state jails where the pilot program occurs. The board shall implement provisions to prohibit abuse by inmates. Such provisions will include, at minimum, the establishment and review of specific call lists, the prohibition of phone calls to individuals or phone numbers not on the approved list, and the inapplicability of such services as call forwarding or three-way calling.

    The vendor shall pay the department not less than 50 percent of gross revenue received for such calls placed by inmates and the cost of such calls shall not exceed comparable rates for long distance service. All such payments received as a result of the trial shall be used for the benefit of crime victims, as provided in Article 56.54, Code of Criminal Procedure.

70. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Criminal Justice shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Criminal Justice shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor's office the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for correctional officers.

71. **Criminal Justice Initiatives.** The Texas Department of Criminal Justice shall transfer $90,000 in fiscal year 2002 and $96,120 in fiscal year 2003 from Strategy E.1.1, Board of Pardons and Paroles, to the Criminal Justice Policy Council for the monitoring and evaluation of criminal justice initiatives.

72. **Texas Board of Criminal Justice.** It is the intent of the Legislature that the Texas Board of Criminal Justice hold its meetings in Austin, Texas unless there is an exceptional reason to meet in Huntsville, Texas.

73. **Ombudsman Activity.** It is the intent of the Legislature that the Ombudsman for the Texas Department of Criminal Justice (TDCJ) respond to all agency and legislatively referred complaints in a timely manner. The TDCJ shall develop performance measures, trend analysis,

and a method of resolution for issues presented. The TDCJ shall provide summary reports regarding this activity to the Legislative Budget Board and the Governor on a quarterly basis.

74. **Correctional Officer Training.** Out of funds appropriated above, the Texas Department of Criminal Justice shall provide at least 284 hours of training for new correctional officers.

75. **InnerChange Freedom Initiative.** Out of funds appropriated above in Strategy C.2.3, Treatment Services, the Texas Department of Criminal Justice shall allocate $750,000 in fiscal year 2002 and $750,000 in fiscal year 2003 to fund the expansion of the InnerChange Freedom Initiative.

76. **West Texas Disaster Recovery and Operations Center.** It is the intent of the Legislature that the Texas Department of Criminal Justice transfer its mainframe computer operations to the West Texas Disaster Recovery and Operations Center.

77. **Safe Prisons Program.** It is the intent of the Legislature that out of funds appropriated above the Texas Department of Criminal Justice (TDCJ) establish and maintain a Safe Prisons Program for the purpose of preventing and limiting the number of sexual assaults by inmates on inmates. Strategies to prevent sexual assaults that may be used in the Safe Prisons Program include, but are not limited to, use of protective custody; use of an inmate's assault history in making cell assignments; use of an inmate's likelihood of victimization in cell assignments; education of correctional officers on the importance of preventing sexual assault; education of new prisoners on the risks of sexual assault, including prosecution; and use of surveillance cameras. TDCJ shall report annually to the Legislative Budget Board and the Governor the number of sexual assaults by inmates on inmates and the actions taken on each assault. Additional reporting elements may be established by the Legislative Budget Board and the Governor. It is the intent of the Legislature that TDCJ designate a Safe Prisons Program coordinator who reports directly to the TDCJ Executive Director.

78. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Out of funds appropriated above in Strategy D.1.1, Facilities Construction, $80,000,000 from general obligation bond or note proceeds is contingent on enactment of House Bill 3064 and the adoption and voter approval of House Joint Resolution 97, or similar legislation, and is appropriated for fiscal year 2003 for capital expenditures related to the repair and rehabilitation of buildings and facilities and the expansion of the Western Regional Medical Facility at the Montford Psychiatric Facility as authorized by the constitutional amendment proposed in House Joint Resolution 97 and House Bill 3064.

CRIMINAL JUSTICE POLICY COUNCIL

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EFFECTIVE CRIMINAL JUSTICE SYSTEM		
Develop means to promote a more effective and cohesive state criminal justice system.		
Outcome (Results/Impact):		
Programs Evaluated	13	13
Assessment Instruments Developed	8	8
A.1.1. Strategy: EVALUATIONS TO REDUCE RECIDIVISM	$ 463,917	$ 485,073
Evaluate the criminal justice programs and assist other agencies in the evaluation of programs directed at reducing recidivism.		

Output (Volume):		
Programs Designed	16	16
A.2.1. Strategy: PROJECTION DEVELOPMENT Develop adult and juvenile correctional population projections and impact studies for use by public officials.	$ 480,650	$ 505,518
A.2.2. Strategy: JUVENILE JUSTICE STUDIES Collect juvenile justice data to study and monitor juvenile sentencing patterns in the state to assist in the development and evaluation of policies, to determine the impact of reforms, and to develop effective delinquency prevention, diversionary or treatment programs.	$ 417,127	$ 436,055
Total, Goal A: EFFECTIVE CRIMINAL JUSTICE SYSTEM	$ 1,361,694	$ 1,426,646
Grand Total, CRIMINAL JUSTICE POLICY COUNCIL	$ 1,361,694	$ 1,426,646
Method of Financing:		
General Revenue Fund	$ 1,221,694	$ 1,280,526
Federal Funds	50,000	50,000
Interagency Contracts	90,000	96,120
Total, Method of Financing	$ 1,361,694	$ 1,426,646
Number of Full-Time-Equivalent Positions (FTE):	28.0	28.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$98,000	$98,000

1. **Parole Guidelines.** The Criminal Justice Policy Council, from funds appropriated above, shall assist the Board of Pardons and Paroles in the implementation, monitoring, and validation of parole guidelines. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2003.

2. **Enhanced Mental Health Services Initiative.** The Criminal Justice Policy Council, from funds appropriated above, shall monitor and evaluate the implementation of the Enhanced Mental Health Services Initiative by the Texas Juvenile Probation Commission, the Texas Department of Criminal Justice, the Texas Youth Commission, and the Texas Council on Offenders with Mental Impairments. The Criminal Justice Policy Council shall submit a report on these efforts to the Governor and the Legislative Budget Board no later than January 1, 2003.

COMMISSION ON FIRE PROTECTION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EDUCATION & ASSISTANCE		
To assist local governments and other entities by providing materials for use in conducting research on fire protection issues and in developing training resources for fire protection personnel and to assist in providing fire fighting equipment and resources to local fire departments.		
Outcome (Results/Impact):		
Percentage Increase in the Number of Research Requests Made to the Fire Protection Information Resource Center	10%	10%
Percentage of Total Amount Requested for Loans/Grants Compared with Requests Awarded	22%	22%
A.1.1. Strategy: FIRE SAFETY INFO & EDUC PROGRAMS	$ 125,631	$ 125,631
Acquire, develop and maintain current and historical information on fire protection and provide training aids and fire protection information to fire departments and other entities.		
A.2.1. Strategy: ADMINISTER GRANT PROGRAM	$ 1,316,090	$ 1,316,090
Administer a grant/loan program to distribute resources to local fire departments.		
Total, Goal A: EDUCATION & ASSISTANCE	$ 1,441,721	$ 1,441,721
B. Goal: FIRE DEPARTMENT STANDARDS		
To enforce statutes and rules relating to standards for fire service personnel education, training facilities and protective equipment in order to protect the public and fire service personnel against loss of life and property resulting from fire and related hazards.		
Outcome (Results/Impact):		
Percentage of Inspected Fire Certificate Holders with No Recent Violations	95%	95%
B.1.1. Strategy: CERTIFY & REGULATE FIRE SERVICE	$ 1,130,000	$ 1,130,000
Certify and regulate fire departments and fire service personnel according to standards adopted by the agency and prescribed by statute.		
Explanatory:		
Number of Fire Service Personnel Certified	20,000	20,000
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 516,000	$ 516,000
Grand Total, COMMISSION ON FIRE PROTECTION	$ 3,087,721	$ 3,087,721
Method of Financing:		
Appropriated Receipts	$ 5,000	$ 5,000
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,082,721	3,082,721
Total, Method of Financing	$ 3,087,721	$ 3,087,721
Number of Full-Time-Equivalent Positions (FTE):	35.0	35.0

Schedule of Exempt Positions:		
Executive Director, Group 3	$78,000	$78,000
Supplemental Appropriations Made in Riders:	$ 128,000	$ 28,000

1. **Training Restriction.** None of the funds appropriated above may be expended for fire protection or fire management training except through contract with Texas Commission on Fire Protection approved training programs external to the commission in order to avoid duplication of service.

2. **Appropriation of Receipts—Loan Repayments Revolving Fund.** In addition to the amounts appropriated above, the Texas Commission on Fire Protection is hereby appropriated all loan repayments, loan forfeitures and other revenue accruing to the revolving loan fund in excess of $251,670 for fiscal year 2002 and in excess of $251,670 for fiscal year 2003 for the purpose of making additional loans as established in VTCA, Government Code, Chapter 419, Subchapter C (estimated to be $56,000 for the biennium). The unexpended balance in Strategy A.2.1, Administer Grant Program, and of collections in excess of $251,670 in the revolving loan fund at the end of fiscal year 2002 is hereby appropriated for fiscal year 2003 for the same purpose.

3. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Fire Fighter, Testing, and Funds Allocation.

4. **Fire Department Inspections.** It is the intent of the Legislature that the Texas Commission on Fire Protection not provide prior notification of an inspection to a fire department.

5. **Co-location of Regional Offices.** It is the intent of the Legislature that the Texas Commission on Fire Protection and the Texas Forest Service enter into an agreement to co-locate regional offices to the maximum space available.

6. **Staffing of Regional Offices.** The Texas Commission on Fire Protection shall staff each regional office with at least one standards compliance officer from available staff.

7. **Contingency Appropriation.** Contingent on loss on appeal or settlement during appeal of a lawsuit styled *Aina Hill vs. Texas Commission on Fire Protection*, the Texas Commission on Fire Protection is hereby appropriated $100,000 out of general revenue (GR Fund No. 8042 - Insurance Companies Maintenance Tax and Insurance Department Fees) for the purpose of paying the final judgement of the lawsuit. The Comptroller shall release funds at the direction of the Attorney General subject to the approval of the Legislative Budget Board and the Governor.

COMMISSION ON JAIL STANDARDS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EFFECTIVE JAIL STANDARDS		
To establish reasonable minimum standards for the provision and operation of jails; monitor and enforce compliance with adopted standards; provide consultation, training, and technical assistance to local government for achieving and maintaining compliance with adopted standards; and perform state mandates affecting county jail incarceration.		
Outcome (Results/Impact):		
Number of Jails Achieving Compliance	220	220
Number of Jails with Documented Staffing Plans	230	235
A.1.1. Strategy: INSPECTION AND ENFORCEMENT	$ 348,221	$ 348,221
Develop and implement a uniform process to inspect, monitor compliance and ensure due process in enforcement of standards for local jails.		
Output (Volume):		
Number of Annual Inspections Conducted	254	254
A.1.2. Strategy: JUVENILE JUSTICE SURVEY	$ 54,854	$ 54,854
Perform annual survey of local jail facilities to determine compliance with the Juvenile Justice and Delinquency Prevention Act.		
A.2.1. Strategy: CONSTRUCTION PLAN REVIEW	$ 150,582	$ 150,582
Develop and implement a comprehensive facility needs analysis program and review and comment on construction documents for construction projects.		
Output (Volume):		
Number of On-site Planning and Construction Consultations with Jail Representatives	160	160
A.2.2. Strategy: MANAGEMENT CONSULTATION	$ 207,049	$ 207,049
Review and approve jail operational plans, provide needed jail management training and consultation, and perform objective jail staffing analyses.		
Output (Volume):		
Number of On-site Operation and Management Consultations with Jail Representatives	300	300
A.3.1. Strategy: AUDITING POPULATION AND COSTS	$ 207,050	$ 207,050
Collect, analyze, and disseminate data concerning inmate population, felony backlog, and jail operational costs.		
Output (Volume):		
Number of Reports Audited	6,200	6,200
Total, Goal A: EFFECTIVE JAIL STANDARDS	$ 967,756	$ 967,756
Grand Total, COMMISSION ON JAIL STANDARDS	$ 967,756	$ 967,756
Method of Financing:		
General Revenue Fund	$ 921,756	$ 921,756
Criminal Justice Grants	40,000	40,000
Appropriated Receipts	6,000	6,000
Total, Method of Financing	$ 967,756	$ 967,756

COMMISSION ON JAIL STANDARDS
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	20.0	20.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$61,000	$61,000

JUVENILE PROBATION COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LOCAL JUVENILE JUSTICE		
To ensure public safety, offender accountability and the rehabilitation of juvenile offenders through a comprehensive, coordinated, community-based juvenile justice system by providing funding, technical assistance and training in partnership with juvenile boards and probation departments.		
Outcome (Results/Impact):		
Rate of Successful Completion of Deferred Prosecution Cases	85%	85%
Rate of Successful Completion of Court Ordered Probation	85%	85%
Number of New Commitments to Texas Youth Commission	2,829	2,909
A.1.1. Strategy: BASIC PROBATION	$ 45,857,447	$ 45,912,651
Provide funding to juvenile probation departments for the provision of basic juvenile probation services, including delinquency prevention, deferred prosecution, and court ordered probation.		
Output (Volume):		
Average Daily Population of Youth Supervised under Court Ordered Probation	32,686	33,637
Average Daily Population of Youth Supervised under Intensive Supervision Probation	3,900	3,900
Efficiencies:		
Average State Cost Per Juvenile Referred	369.82	359.8
Cost Per Day for Youth Served on Intensive Supervision Probation	14.6	14.6
Explanatory:		
Total Number of Referrals	123,999	127,607
A.2.1. Strategy: COMMUNITY CORRECTIONS	$ 50,278,430	$ 50,790,377
Provide funding to juvenile boards and departments for diversion of juveniles from commitment to the Texas Youth Commission and meet legislatively mandated performance measures for intensive residential and nonresidential diversionary services.		
Output (Volume):		
Average Daily Population of Residential Placements Using Community Corrections Funds	900	900
Efficiencies:		
Cost Per Day Per Youth for Residential Placement Using Community Corrections Funds	85	85
A.2.2. Strategy: PROBATION ASSISTANCE	$ 14,048,295	$ 14,544,988
Provide training and technical assistance to juvenile boards and probation departments, including case management, program planning and delinquency prevention; and monitor probation departments and both county and private		

detention and post adjudication centers for compliance with Texas Juvenile Probation Commission standards and applicable federal regulations.		
Efficiencies:		
State Cost Per Training Hour	6.15	6.2
A.2.3. Strategy: JUVENILE JUSTICE ALTERNATIVE ED PGM	$ 7,500,000	$ 7,500,000
Provide funding for juvenile justice alternative education programs.		
Output (Volume):		
Number of Mandatory Students in Juvenile Justice Alternative Education Programs	1,338	1,378
Total, Goal A: LOCAL JUVENILE JUSTICE	$ 117,684,172	$ 118,748,016
B. Goal: DIRECT AND INDIRECT ADMINISTRATION		
B.1.1. Strategy: DIRECT AND INDIRECT ADMINISTRATION	$ 927,274	$ 929,898
Grand Total, JUVENILE PROBATION COMMISSION	$ 118,611,446	$ 119,677,914
Method of Financing:		
General Revenue Fund	$ 97,089,748	$ 97,649,049
Federal Funds	11,931,698	12,438,865
Other Funds		
Interagency Contracts	2,090,000	2,090,000
Interagency Contracts - Transfer from Foundation School Fund No. 193	7,500,000	7,500,000
Subtotal, Other Funds	$ 9,590,000	$ 9,590,000
Total, Method of Financing	$ 118,611,446	$ 119,677,914
Number of Full-Time-Equivalent Positions (FTE):	62.0	62.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$90,000	$90,000

1. **Restriction, State Aid.** None of the funds appropriated above in Strategy A.1.1, Basic Probation, and allocated to local juvenile probation boards, shall be expended for salaries or expenses of juvenile board members.

2. **Appropriation of Federal Title IV-E Receipts.** The provisions of Title IV-E of the Social Security Act shall be used in order to increase funds available for juvenile justice services. The Texas Juvenile Probation Commission shall certify or transfer state funds to the Texas Department of Protective and Regulatory Services so that federal financial participation can be claimed for Title IV-E services provided by counties. The Texas Juvenile Probation Commission shall direct necessary general revenue funding to ensure that the federal match for the Title IV-E Social Security Act is maximized for use by participating counties. Such federal receipts are appropriated to the Texas Juvenile Probation Commission for the purpose of reimbursing counties for services provided to eligible children.

3. **Juvenile Boot Camp Funding.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of $1,000,000 annually may be expended only for the purpose of providing a juvenile boot camp in Harris County.

4. **Juvenile Non-Residential Program Funding.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, an amount not to exceed $250,000 in each year shall be expended in the form of grants to counties with a population of 72,000 or less which operate non-residential programs during the 2002–03 biennium. To be eligible, a county must contribute at least 60 percent of the costs of such programs from local funds, and the state share may not exceed (1) 40 percent of the funding for the program and (2) a total of $25,000 in fiscal year 2002 and $25,000 in fiscal year 2003 per county.

5. **Residential Facilities.** Juvenile Boards may use funds appropriated in Strategy A.1.1, Basic Probation, and Strategy A.2.1, Community Corrections, to lease, contract for, or reserve bed space with public and private residential facilities for the purpose of diverting juveniles from commitment to the Texas Youth Commission.

6. **Funding for Progressive Sanctions.**

   a. Out of the funds appropriated above in Strategy A.1.1, Basic Probation, $10,200,000 in fiscal year 2002 and $10,200,000 in fiscal year 2003 can be distributed only to local probation departments for funding juvenile probation services associated with sanction levels described in §§ 59.003(a)(1), 59.003(a)(2), and 59.003(a)(3) of the Family Code, or for salaries of juvenile probation officers hired after the effective date of this Act. These funds may not be used by local juvenile probation departments for salary increases, employee benefits, or other costs (except salaries) associated with the employment of juvenile probation officers hired after the effective date of this Act.

   b. Out of the funds appropriated above in Strategy A.2.1, Community Corrections, $4,394,436 in fiscal year 2002 and $4,394,437 in fiscal year 2003 can be used only for the purpose of funding secure post-adjudication placements for (1) juveniles who have a progressive sanction guideline level of 5 or higher as described by §§ 59.003(a)(5), 59.003(a)(6), and 59.003(a)(7); (2) are adjudicated for a felony offense that includes as an element of the offense the possession, carrying, using or exhibiting of a deadly weapon; (3) the juvenile court's order of adjudication contains a finding that the child committed a felony offense and the child used or exhibited a deadly weapon during the commission of the conduct or during immediate flight from commission of the conduct; or (4) are adjudicated for a sex offense of the grade of felony that requires registration under the Texas Sexual Offender Registration Program.

      The Texas Juvenile Probation Commission shall reimburse a county juvenile probation department a specified number of placements under this section, as determined by the Texas Juvenile Probation Commission, after the requirements for reimbursement as outlined herein have been met to the satisfaction of the Texas Juvenile Probation Commission.

   c. The Texas Juvenile Probation Commission shall maintain procedures to ensure that only those juvenile offenders identified above are submitted for reimbursement of secure post-adjudication placements under this section. The Texas Juvenile Probation Commission shall no later than March 1 of each fiscal year submit an expenditure report for the prior fiscal year reflecting all secure post-adjudication placement costs to the Legislative Budget Board and the Governor.

7. **County Funding Levels.** To receive the full amount of state aid funds for which a juvenile board may be eligible, a juvenile board must demonstrate to the commission's satisfaction that the amount of local or county funds budgeted for juvenile services is at least equal to the amount spent for those services, excluding construction and capital outlay expenses, in the 1994 county fiscal year. This requirement shall not be waived by the commission unless the juvenile board demonstrates to the satisfaction of the commission that unusual, catastrophic or exceptional

circumstances existed during the year in question to adversely affect the level of county fiscal effort. If the required local funding level is not met and no waiver is granted by the commission, the commission shall reduce the allocation of state aid funds to the juvenile board by the amount equal to the amount that the county funding is below the required funding.

8. **Local Post-adjudication Facilities.** Out of the funds appropriated above in Strategy A.2.1, Community Corrections, the amount of $8,640,462 in fiscal year 2002 and $8,640,462 in fiscal year 2003 may be used only for the purpose of funding local post-adjudication facilities.

9. **Juvenile Justice Alternative Education Programs (JJAEP).** Out of the funds transferred to the Texas Juvenile Probation Commission pursuant to Texas Education Agency (TEA) Rider 44 and appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, the Texas Juvenile Probation Commission shall allocate $1,500,000 at the beginning of each fiscal year to be distributed on the basis of juvenile age population among the mandated counties identified in Chapter 37, Texas Education Code, and those counties with populations between 72,000 and 125,000 which choose to participate under the requirements of Chapter 37.

   An additional $500,000 shall be set aside in a reserve fund for each year of the biennium to allow mandated and non-mandated counties to apply for additional funds on a grant basis.

   The remaining funds shall be allocated for distribution to the counties mandated by the § 37.011(a) Texas Education Code, at the rate of $59 per student per day of attendance in the JJAEP for students who are required to be expelled as provided under § 37.007, Texas Education Code, and are intended to cover the full cost of providing education services to such students. Counties are not eligible to receive these funds until the funds initially allocated at the beginning of each fiscal year have been expended at the rate of $59 per student per day of attendance. Counties in which populations exceed 72,000, but are 125,000 or less, may participate in the JJAEP, and are eligible for state reimbursement at the rate of $59 per student per day.

   The Texas Juvenile Probation Commission may expend any remaining funds for summer school programs in counties with a population over 72,000 which are funded as mandated counties in Chapter 37. Funds may be used for any student assigned to a JJAEP. Summer school expenditures may not exceed $3.0 million in any year.

   Unspent balances in fiscal year 2002 shall be appropriated to fiscal year 2003 for the same purposes in Strategy A.2.3.

   The allocations made in this rider for the JJAEP are estimated amounts and not intended to be an entitlement and are limited to the amounts transferred from the Foundation School Program pursuant to TEA Rider 44. The amount of $59 per student per day may vary depending on the total number of students actually attending the JJAEPs.

   The Texas Juvenile Probation Commission may reduce, suspend, or withhold Juvenile Justice Alternative Education Program funds to counties that do not comply with standards, accountability measures, or Texas Education Code Chapter 37.

10. **Funding for Additional Eligible Students in JJAEPs.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs, a maximum of $500,000 in each year (for a maximum of 90 attendance days per child), is allocated for counties with a population of at least 72,000 which operate a JJAEP under the standards of Chapter 37, Texas Education Code. The county is eligible to receive funding from the Texas Juvenile Probation Commission at the rate of $59 per day per student for students who are required to be expelled under § 37.007, Texas Education Code, and who are expelled from a school district in a county that does not operate a JJAEP.

11. **Use of JJAEP Funds.** None of the funds appropriated above for the support of JJAEPs shall be used to hire a person or entity to do lobbying.

12. **JJAEP Accountability.** Out of funds appropriated above in Strategy A.2.3, Juvenile Justice Alternative Education Programs (JJAEP), the Texas Juvenile Probation Commission and the Texas Education Agency shall ensure that Juvenile Justice Alternative Education Programs are held accountable for student academic and behavioral success. The agencies are to jointly submit a performance assessment report to the Legislative Budget Board and the Governor by May 1, 2002. The report shall include, but is not limited to, the following:

    a. an assessment of the degree to which each JJAEP enhanced the academic performance and behavioral improvement of attending students;

    b. a detailed discussion on the use of standard measures used to compare program formats and to identify those JJAEPs most successful with attending students;

    c. the percent of eligible JJAEP students statewide and by program demonstrating academic growth in the Texas Assessment of Academic Skills (TAAS) math and reading, as measured in terms of the Texas Learning Index (TLI);

    d. standardized cost reports from each JJAEP and their contracting independent school district(s) to determine differing cost factors and actual costs per each JJAEP program by school year; and

    e. inclusion of a comprehensive five year strategic plan for the continuing evaluation of JJAEPs which shall include oversight guidelines to improve: school district compliance with minimum program and accountability standards, attendance reporting, consistent collection of costs and program data, training and technical assistance needs.

13. **Training.** It is the intent of the Legislature that the Texas Juvenile Probation Commission provide training to local juvenile probation personnel and to local Juvenile Judges to maximize the appropriate placement of juveniles according to the progressive sanction guidelines.

14. **Unexpended Balances - Hold Harmless Provision.** Any unexpended balances as of August 31, 2002 in Strategy A.1.1, Basic Probation (estimated to be $690,112), and in Strategy A.2.1, Community Corrections (estimated to be $932,196), above are hereby appropriated to the Juvenile Probation Commission in fiscal year 2003 for the purpose of providing Hold Harmless funding for juvenile probation departments whose allocation would otherwise be reduced as a result of reallocations related to population shifts.

15. **Juvenile Accountability Incentive Block Grants Funding.** Amounts appropriated above in Strategy A.2.1, Community Corrections, include $2,090,000 per fiscal year in Juvenile Accountability Incentive Block Grants funding from the Governor's Office.

16. **Salary Increases for Juvenile Probation Department Personnel.** Out of the funds appropriated above in Strategy A.1.1, $10,228,298 per fiscal year shall be distributed to counties to be used only for the purpose of salary and associated benefits for Certified Juvenile Probation Officers (JPO) and Juvenile Detention/Correctional Officers (JD/JCO). The Juvenile Probation Commission shall insure the annual salary and benefits increases are limited to $3,000 per JPO and $1,500 per JD/JCO.

COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSE AND APPROVE COURSES		
To create new incentives and opportunities for law enforcement career oriented individuals to grow in their professional competency.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99.9%	99.9%
A.1.1. Strategy: LICENSING	$ 602,863	$ 595,781
Issue licenses and certificates to individuals who demonstrate required competencies.		
Output (Volume):		
Number of New Licenses Issued to Individuals	11,500	11,500
Efficiencies:		
Average Licensing Cost Per Individual License Issued	14.5	14.5
A.1.2. Strategy: COURSE DEVELOPMENT	$ 854,746	$ 851,064
Manage development, delivery and quality of law enforcement training and education.		
Output (Volume):		
Number of On-site Academy Evaluations Conducted	60	60
Total, Goal A: LICENSE AND APPROVE COURSES	$ 1,457,609	$ 1,446,845
B. Goal: REGULATION		
To develop and implement programs designed to contribute to the reduction of per capita incidence of officer misconduct.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	37%	37%
B.1.1. Strategy: ENFORCEMENT	$ 461,130	$ 466,886
Revoke licenses, suspend licenses, or reprimand licensees for violation of statutes or TCLEOSE rules.		
Output (Volume):		
Complaints Resolved	500	500
Efficiencies:		
Average Cost Per Complaint Resolved	32	32
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 494,455	$ 500,373
Grand Total, COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION	$ 2,413,194	$ 2,414,104
Method of Financing:		
GR Dedicated - Law Enforcement Officer Standards and Education Account No. 116	$ 2,329,594	$ 2,330,504
GR Dedicated - Peace Officers Memorial Fund Account No. 337	20,000	20,000
Appropriated Receipts	63,600	63,600
Total, Method of Financing	$ 2,413,194	$ 2,414,104
Number of Full-Time-Equivalent Positions (FTE):	44.0	44.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$76,000	$76,000
Supplemental Appropriations Made in Riders:	$ 141,000	$ 141,000

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

	2002	2003
Out of the GR Dedicated - Law Enforcement Officer Standards and Education Account No. 116:		
a. Acquisition of Information Resource Technologies		
(1) Integrated Internet Application System	15,000	15,000
(2) Cycled Replacement/Upgrade of Computers and Servers	$ 20,573	$ 30,573
Total, Acquisition of Information Resource Technologies	$ 35,573	$ 45,573
Total, Capital Budget	$ 35,573	$ 45,573

2. **Appropriation: Peace Officers' Memorial Fund, GR-Dedicated Account No. 337.** There is hereby appropriated to the Commission on Law Enforcement Officer Standards and Education all contributions and earned interest for the Peace Officers' Memorial during the 2002–03 biennium and from any balances on hand as of August 31, 2001, for the purposes of funding and maintaining a Texas Peace Officers' Memorial on the grounds of the Capitol Complex in honor of those Texas peace officers who have died in the line of duty as provided by Title 37, TAC § 229.1. These appropriations are to be deposited in the state treasury to the credit of GR–Dedicated Account No. 337 for the Peace Officers' Memorial. None of these appropriations shall be used by the Commission for administration and support costs related to the Peace Officers' Memorial.

3. **Appropriation of Receipts — Certificate Fees.** There is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education for the biennium beginning September 1, 2001, all revenues collected for the processing of proficiency certificates pursuant to VTCA, Occupation Code § 1701.154 (estimated to be $182,000).

4. **Appropriation: Law Enforcement Officer Standards and Education, GR–Dedicated Account No. 116.** There is hereby appropriated to the Texas Commission on Law Enforcement Officer Standards and Education for the biennium beginning September 1, 2001, all fees collected in the Law Enforcement Officer Standards and Education GR–Dedicated Account No. 116 for establishing a person's eligibility to reinstate a license that has lapsed (estimated to be $100,000).

TEXAS MILITARY FACILITIES COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: MAINTAIN PROPERTIES		
Maintain and preserve all properties in a state of good repair by conducting periodic surveys and reviews, determining maintenance priorities, and performing cost-effective maintenance using established procedures.		
Outcome (Results/Impact):		
Percent of Needed Routine or Preventive Maintenance Completed	24%	24%
A.1.1. Strategy: BUILDING MAINTENANCE	$ 4,666,412	$ 5,009,394
Repair, maintain and supply facilities. Use a survey and review process to evaluate facilities condition and repairs made.		
Explanatory:		
Number of Facilities Maintained	314	315
A.1.2. Strategy: DEBT SERVICE	$ 4,582,065	$ 4,806,663
Receive sufficient rental/lease monies for facilities to pay the bond principal, interest, insurance, and administrative fees for the current fiscal year.		
Total, Goal A: MAINTAIN PROPERTIES	$ 9,248,477	$ 9,816,057
B. Goal: CONSTRUCT AND RENOVATE FACILITIES		
Construct and renovate facilities that will be modern, functional, and durable. As funds are made available, continue to upgrade facilities to achieve energy efficiency, safety, environmental and accessibility standards.		
Outcome (Results/Impact):		
Percent of Facilities That Comply with Texas Accessibility Standards	11%	15%
B.1.1. Strategy: BUILDING CONSTRUCTION/RENOVATION	$ 54,083,446	$ 232,659
New facility construction and renovation of older facilities.		
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 443,486	$ 449,604
Grand Total, TEXAS MILITARY FACILITIES COMMISSION	$ 63,775,409	$ 10,498,320
Method of Financing:		
General Revenue Fund	$ 2,126,287	$ 1,391,223
Federal Funds	52,916,566	516,166
Other Funds		
Current Fund Balance	1,058,786	1,065,920
Interagency Contracts	5,106,588	5,370,613
Bond Proceeds - Revenue Bonds	2,567,182	2,154,398
Subtotal, Other Funds	$ 8,732,556	$ 8,590,931
Total, Method of Financing	$ 63,775,409	$ 10,498,320
Number of Full-Time-Equivalent Positions (FTE):	38.0	38.0

Schedule of Exempt Positions:		
Executive Director, Group 2	$57,000	$57,000
Per Diem of Board Members	4,860	4,860

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

	2002	2003
a. Acquisition of Land and Other Real Property		
(1) Acquisition of Land - Houston Joint Reserve Facility	$ 1,470,150	$ UB
b. Construction of Buildings and Facilities	52,400,400	UB
c. Repair or Rehabilitation of Buildings and Facilities		
(1) Priority Projects for 2002-03	1,222,948	475,312
(2) Lease Payments (MLPP) for 1996-97	127,918	127,333
(3) Organizational Maintenance Shops	342,698	377,267
(4) Roof Replacements/Major Maintenance	1,097,032	2,154,398
Total, Repair or Rehabilitation of Buildings and Facilities	$ 2,790,596	$ 3,134,310
d. Transportation Items	22,000	27,000
Total, Capital Budget	$ 56,683,146	$ 3,161,310
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,263,123	$ 515,629
Federal Funds	52,400,400	0
Interagency Contracts	452,441	491,283
Bond Proceeds - Revenue Bonds	2,567,182	2,154,398
Total, Method of Financing	$ 56,683,146	$ 3,161,310

2. **Appropriation of Refunded Money.** There is hereby appropriated to the Texas Military Facilities Commission all money refunded to said Commission from any source when such money was originally expended for any of the purposes in A.1.1, Building Maintenance and B.1.1, Building Construction/Renovation, above. Such appropriated funds may be expended for any of the purposes enumerated in A.1.1. and B.1.1. above.

3. **Local Fund Authorization.** The Texas Military Facilities Commission is hereby authorized to spend, and there is hereby made available to it, any or all local funds which the Commission now has or which it may hereinafter acquire, in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

4. **Bond Indenture Revenues.** There is hereby appropriated to the Texas Military Facilities Commission all revenues that the Commission has pledged, assigned and set over and does pledge, assign and set over unto its trustee and its successors in trust, and all revenues it has received or may hereinafter receive in accordance with the provisions of its bond indenture dated October 1, 1979, and subsequently amended.

5. **Superseding of Statutes and Bond Covenants.** None of the appropriations or provisions herein shall supersede VTCA, Government Code, Chapter 435, or the covenants under which bonds are issued by or on behalf of the Texas Military Facilities Commission, regarding the Commission's obligations as a public bonding authority, body politic and corporate.

6. **Disposition of State-owned Property.** There is hereby appropriated to the Texas Military Facilities Commission all funds derived from sales, in previous biennia and in the current biennium, of State-owned National Guard camps and other property owned by the Commission and of land, improvements, buildings, facilities, installations and personal property in connection therewith as authorized by VTCA, Government Code, Chapter 435. Such funds shall be expended by the Commission in one or more of the following ways: (1) as a participating fund in the construction and maintenance of facilities financed in part by the United States Government; or (2) as a construction fund to be used by the Texas Military Facilities Commission; or (3) as a debt-servicing fund as provided in VTCA, Government Code, Chapter 435. Provided, however, that all such funds that are not actually used for the purposes hereinbefore specified shall remain on deposit in the state treasury to the credit of the Commission for the use and benefit of the Texas National Guard, their successors or components, as provided in VTCA, Government Code, Chapter 435.

7. **Transferability.** The Texas Military Facilities Commission is hereby authorized to transfer such amounts as may be necessary between strategies A.1.1, Building Maintenance, and B.1.1, Building Construction/Renovation. Such transfers shall not be used to increase the bond indebtedness of the Commission.

8. **Support and Maintenance Expenditures.** It is hereby provided that all monies currently appropriated to the Texas Military Facilities Commission for support and maintenance of the Texas National Guard are authorized for like expenditures for the support and maintenance of units of the Texas State Guard replacing the Texas National Guard units inducted into federal service.

9. **Master Plan for Military Facilities.** Funds appropriated to the Texas Military Facilities Commission for capital construction projects are intended to be expended for those projects which are part of the Commission's Master Plan. The Adjutant General and his staff shall cooperate with and provide information to the Commission in updating the Master Plan. The Commission shall revise the plan at least biennially and submit the plan to the Legislative Budget Board and the Governor by July 1 of every even-numbered year as part of the Legislative Appropriations Request.

10. **Renovation Priorities.** The Texas Military Facilities Commission shall give priority to renovations which: (1) insure the structural integrity of the facilities; (2) bring such facilities into compliance with current building and safety codes and accessibility standards; (3) increase the economic efficiency of the facilities; and (4) simplify future maintenance of the facilities.

11. **Reallocation of Unexpended Bond Proceeds.** The Texas Military Facilities Commission is authorized to reallocate the unexpended bond proceeds of canceled projects to other projects listed in its current Master Plan after notifying the Texas Public Finance Authority, the Texas Bond Review Board, the Governor, and the Legislative Budget Board. Any unexpended bond proceeds from prior fiscal years are appropriated to subsequent fiscal years.

12. **Federally Funded Projects.** Federal funds for any 100 percent federally funded project are hereby appropriated, and related additional federally funded personnel and additional travel expenditures are authorized.

TEXAS COMMISSION ON PRIVATE SECURITY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING AND ENFORCEMENT		
To aggressively enforce the provisions of the Act for the protection of the general public and consumers of private investigations and security services and products through the efforts of its field offices and headquarters personnel.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	90%	90%
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: INVESTIGATIONS	$ 837,130	$ 837,130
Investigate allegations, reports and notices of violations of the Act and rules.		
Output (Volume):		
Number of Investigations Conducted	12,900	12,900
Efficiencies:		
Average Time for Case Closure	32	32
Average Cost Per Complaint Resolved	142.86	142.86
A.1.2. Strategy: ENFORCEMENT	$ 227,386	$ 227,386
Seek timely prosecution of unlicensed companies providing regulated services through the courts and take administrative action against licensed companies and registered and commissioned individuals operating in violation of the Act and rules.		
Efficiencies:		
Average Cost Per Disciplinary Action	550	550
A.2.1. Strategy: CRIMINAL HISTORY CHECK	$ 1,185,840	$ 1,185,840
Obtain information regarding the identity, fingerprints and criminal history of applicants for company licensure and individual registration and commission (gun permit).		
Explanatory:		
Number of Criminal History Records Received During a Reporting Period	7,815	8,206
A.2.2. Strategy: LICENSING AND REGISTRATION	$ 529,673	$ 529,673
Issue and renew company licenses and individual registrations and commissions (gun permits) of qualified applicants and deny same to those applicants who do not meet minimum standards.		
Output (Volume):		
Number of New Licenses Issued to Individuals	8,800	8,800

TEXAS COMMISSION ON PRIVATE SECURITY
(Continued)

Efficiencies:		
Average Licensing Cost Per Individual License Issued	7.2	7.56
Total, Goal A: LICENSING AND ENFORCEMENT	$ 2,780,029	$ 2,780,029
Grand Total, TEXAS COMMISSION ON PRIVATE SECURITY	$ 2,780,029	$ 2,780,029
Method of Financing:		
General Revenue Fund	$ 1,808,434	$ 1,808,434
Appropriated Receipts	971,595	971,595
Total, Method of Financing	$ 2,780,029	$ 2,780,029
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 445,366	$ 473,921
Number of Full-Time-Equivalent Positions (FTE):	46.5	46.5
Schedule of Exempt Positions:		
Executive Director, Group 2	$75,000	$75,000
Per Diem of Board Members	2,500	2,500

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rate is established pursuant to VTCA, Government Code § 316.043, to be effective during the biennium covered by this Act:

Class A license (original and renewal)	$250
Class B license (original and renewal)	$300
Class C license (original and renewal)	$440
Reinstate suspended license	$150
Assignment of license	$150
Change name of license	$75
Branch Office Certificate (original and renewal)	$200
Registration fee for private investigators, managers, branch office managers, and alarm system installers (original and renewal)	$20
Registration fee for noncommissioned security officer (original and renewal)	$25
Registration fee for security sales person	$20
Registration fee for alarm systems monitor	$20
Registration fee for guard dog trainer (original and renewal)	$20
Registration fee for owner, officer, partner, or shareholder of a licensee (original and renewal)	$50

Registration fee for security consultant (original and renewal)	$55
Security officer commission fee (original and renewal)	$50
School instructor fee (original and renewal)	$100
School approval fee	$250
Letter of authority fee for private businesses and political subdivisions (original and renewal)	$300
FBI Fingerprint Check	$25
Duplicate pocket card fee	$10
Employee information update fee (transfer)	$15
Burglar alarm seller's fee	$25
Personal Protection Officer Authorization	$50

2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above as well as an amount equal to the amount identified above in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in this Act." In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

3. **Board Meetings at State Facilities.** It is the intent of the Legislature that meetings of the Texas Commission on Private Security be held only at state facilities in Austin, Texas.

4. **Contract Reports.** It is the intent of the Legislature that the Texas Commission on Private Security provide the Governor and the Legislative Budget Board detailed information on all current contracts, and an annual report of all contracts initiated during each fiscal year.

DEPARTMENT OF PUBLIC SAFETY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROMOTE TRAFFIC SAFETY To promote traffic safety, the preservation of the peace, and the detection and prevention of crime.		
Outcome (Results/Impact):		
Annual Texas Rural Traffic Death Rate	2.8	2.8
A.1.1. Strategy: HIGHWAY PATROL Supervision of traffic and general law enforcement on rural highways by uniformed officers.	$ 98,986,189	$ 116,832,897

Output (Volume):		
Traffic Law Violator Contacts	2,430,453	2,430,453
A.1.2. Strategy: COMMERCIAL TRAFFIC PATROL	$ 27,003,021	$ 26,842,573
Supervision of commercial traffic and general law enforcement on rural highways by uniformed officers.		
Output (Volume):		
Commercial Traffic Law Violator Contacts	642,954	642,954
A.1.3. Strategy: DRIVER LICENSE & RECORDS	$ 59,043,032	$ 58,986,354
Ensure the competency of Texas drivers through testing of new drivers, determining the eligibility of renewal applicants, and through the improvement or delicensing of problem drivers.		
Output (Volume):		
Number of Examinations Administered	5,281,066	4,502,781
A.1.4. Strategy: BREATH AND BLOOD TESTING	$ 1,951,607	$ 1,951,607
Operate a scientific breath alcohol and blood testing program statewide. Supervise and maintain the program, train operators, and testify to its validity in court.		
Output (Volume):		
Number of Breath Alcohol Tests Supervised	46,000	46,000
A.1.5. Strategy: VEHICLE INSPECTION	$ 13,492,133	$ 13,486,493
Administer the state's vehicle inspection and emissions program.		
A.1.6. Strategy: TRAFFIC ACCIDENT RECORDS	$ 2,394,057	$ 2,394,057
Manage the traffic accident records system and measure the effectiveness of safety programs.		
Output (Volume):		
Number of Accident Reports Processed	524,155	524,155
A.1.7. Strategy: EDUCATION AND TRAINING	$ 4,981,114	$ 4,970,963
Provide appropriate alcohol, drug, traffic safety, and crime prevention educational programs for the citizens of Texas and provide operational and technical training for law enforcement, emergency management, and support personnel in the state.		
Output (Volume):		
Number of Alcohol, Drug, Traffic Safety, and Crime Prevention Programs Conducted	15,100	15,100
Total, Goal A: PROMOTE TRAFFIC SAFETY	$ 207,851,153	$ 225,464,944
B. Goal: PREVENT AND DETECT CRIME		
To promote the preservation of the peace and the prevention and detection of crime.		
Outcome (Results/Impact):		
Annual Texas Index Crime Rate	5,257	5,257
B.1.1. Strategy: NARCOTICS ENFORCEMENT	$ 26,497,629	$ 26,413,305
Direct enforcement efforts against illegal drug trafficking, supervise controlled substance registration, and administer other facets of the narcotics enforcement program.		
Output (Volume):		
Number of Arrests for Narcotics Violations	2,065	2,065
B.1.2. Strategy: VEHICLE THEFT ENFORCEMENT	$ 8,632,685	$ 8,601,940
Investigate and arrest persons engaged in the theft of motor vehicles, boats, aircraft, construction equipment, and farm equipment, and recover located property.		

Output (Volume):		
Number of Arrests for Motor Vehicle Theft	1,043	1,063
B.1.3. Strategy: SPECIAL CRIMES	$ 10,066,633	$ 9,924,769
Investigate persons engaged in organized criminal activity, arrest fugitives, locate missing persons, monitor pari-mutual racing, and administer other facets of the special crimes enforcement program.		
Output (Volume):		
Number of Special Crimes Arrests	2,200	2,200
B.1.4. Strategy: TEXAS RANGERS	$ 8,134,604	$ 8,104,432
Investigate felony offenses and assist federal, state and local law enforcement agencies.		
Output (Volume):		
Number of Arrests	1,140	1,140
B.1.5. Strategy: CAPITOL SECURITY	$ 10,002,976	$ 9,965,473
Provide appropriate security for public officials and property.		
B.1.6. Strategy: TECHNICAL ASSISTANCE	$ 9,820,874	$ 9,816,927
Provide high quality and timely technical assistance programs to requesting criminal justice agencies.		
Output (Volume):		
Number of Drug Cases Examined	37,000	37,000
B.1.7. Strategy: OPERATIONAL ASSISTANCE	$ 17,518,270	$ 17,509,501
Provide high quality and timely operational assistance programs to requesting criminal justice and other authorized agencies and entities.		
Output (Volume):		
Number of Trouble Calls Handled	120,000	120,000
B.1.8. Strategy: CONCEALED HANDGUN LICENSING	$ 5,413,218	$ 5,413,218
Perform background checks and determine the suitability of concealed handgun applicants; issue, suspend or revoke handgun licenses; and administer the certification of trainers.		
Output (Volume):		
Number of Handgun Licenses Issued after the Application Has Been Received and Approved for Issue	40,960	40,960
Total, Goal B: PREVENT AND DETECT CRIME	$ 96,086,889	$ 95,749,565
C. Goal: DISASTER RESPONSE		
To respond in a timely fashion to emergencies and disasters and administer a comprehensive emergency-management program.		
Outcome (Results/Impact):		
Percentage of Local Governments Achieving an Acceptable or Greater Level of Emergency Preparedness	26%	26%
C.1.1. Strategy: EMERGENCY PLANNING	$ 6,225,968	$ 6,167,561
Provide emergency management training, and planning assistance and guidance to state agencies and local governments.		
C.1.2. Strategy: RESPONSE COORDINATION	$ 533,803	$ 592,210
Review and coordinate emergency and disaster response operations.		
Output (Volume):		
Number of Emergency Incidents Coordinated	2,032	2,032
C.1.3. Strategy: DISASTER RECOVERY	$ 1,250,664	$ 1,250,664
Process and monitor all requests and applications for recovery and mitigation assistance based upon requirements and procedures.		

Output (Volume):		
Number of Counties Provided Disaster Financial Assistance	93	93
Total, Goal C: DISASTER RESPONSE	$ 8,010,435	$ 8,010,435
D. Goal: POLYGRAPH EXAMINERS BOARD		
To examine only qualified applicants and license only those who are proficient and competent as polygraph examiners and to aggressively enforce the Polygraph Examiners Act and ensure swift, fair, effective enforcement for all violators of the Act.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
D.1.1. Strategy: ADMINISTRATION AND ENFORCEMENT	$ 89,232	$ 89,600
Output (Volume):		
Number of Examination Sessions Conducted	6	6
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 8,239,704	$ 8,189,704
E.1.2. Strategy: INFORMATION RESOURCES	$ 25,504,892	$ 24,485,445
E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 5,790,492	$ 5,790,492
E.1.4. Strategy: REGIONAL ADMINISTRATION	$ 8,665,640	$ 8,665,640
E.1.5. Strategy: PHYSICAL PLANT	$ 4,061,000	$ 4,061,000
Total, Goal E: INDIRECT ADMINISTRATION	$ 52,261,728	$ 51,192,281
Grand Total, DEPARTMENT OF PUBLIC SAFETY	$ 364,299,437	$ 380,506,825
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 17,209,598	$ 15,874,611
Concealed Handgun License Account	5,413,218	5,413,218
Subtotal, General Revenue Fund	$ 22,622,816	$ 21,287,829
General Revenue Fund - Dedicated		
Operators and Chauffeurs License Account No. 099	18,272,000	18,162,000
Motorcycle Education Account No. 501	912,511	912,511
Breath Alcohol Testing Account No. 5013	1,904,862	1,904,862
Fugitive Apprehension Account No. 5028	19,599,001	19,820,553
Subtotal, General Revenue Fund - Dedicated	$ 40,688,374	$ 40,799,926
Federal Funds		
Federal Funds	11,418,311	11,418,311
Motor Carrier Act Enforcement	3,800,000	3,800,000
Subtotal, Federal Funds	$ 15,218,311	$ 15,218,311
Other Funds		
State Highway Fund No. 006	277,191,194	276,122,017
Criminal Justice Grants	600,000	600,000
Appropriated Receipts	6,452,930	6,452,930
Interagency Contracts	1,525,812	1,525,812
Bond Proceeds - General Obligation Bonds	0	18,500,000
Subtotal, Other Funds	$ 285,769,936	$ 303,200,759
Total, Method of Financing	$ 364,299,437	$ 380,506,825

Number of Full-Time-Equivalent Positions (FTE):	7,246.5	7,246.5
Number of FTEs in Riders:	58.0	78.0
Schedule of Exempt Positions:		
Director, Group 4	$102,000	$102,000
Supplemental Appropriations Made in Riders:	$ 5,247,169	$ 9,174,785

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

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities	$ 1,125,000	$ 1,125,000
b. Acquisition of Information Resource Technologies		
(1) Lease Payments (MLPP) for 1998-99 NCIC/TLETS Upgrade	5,454,095	4,415,070
(2) Other Information Resource Projects	5,347,864	5,462,677
Total, Acquisition of Information Resource Technologies	$ 10,801,959	$ 9,877,747
c. Transportation Items (Approximately 1,833 Vehicles)	19,047,265	17,949,470
d. Acquisition of Capital Equipment and Items	4,969,169	4,893,521
e. SB 1074 Implementation - Cameras	0	18,500,000
Total, Capital Budget	$ 35,943,393	$ 52,345,738
Method of Financing (Capital Budget):		
General Revenue Fund		
Concealed Handgun License Account	$ 375,750	$ 67,750
General Revenue Fund - Dedicated		
Motorcycle Education Account No. 501	130,548	120,548
Fugitive Apprehension Account No. 5028	8,056,082	7,024,278
Subtotal, General Revenue Fund - Dedicated	$ 8,186,630	$ 7,144,826
Other Funds		
State Highway Fund No. 006	25,031,013	24,283,162
Criminal Justice Grants	600,000	600,000
Appropriated Receipts	1,750,000	1,750,000
Bond Proceeds - General Obligation Bonds	0	18,500,000
Subtotal, Other Funds	$ 27,381,013	$ 45,133,162
Total, Method of Financing	$ 35,943,393	$ 52,345,738

2. **Additional Capital Budget Authority.** In addition to the provisions of Rider 1, Capital Budget, the Department of Public Safety is authorized to make the following capital purchases at the following amounts from funds appropriated by this Act:

	2002	2003
a. Conroe Communications Facility Equipment	$ 502,102	$ 1,775
b. CODIS Lab Equipment	$ 858,000	$ 440,000
c. Communications Consoles and Updates to the Automated Drivers License Testing System (ADLETS)	$ 4,000,000	$ UB
d. Construction of Buildings and Facilities in Anahuac, Athens, and Columbus	$ 2,228,795	$ UB
e. Replacement Aircraft and Helicopter	$ 2,161,000	$ UB
f. Additional Recruit School	$ 1,609,049	$ 0
g. Florence Firearms Range	$ 2,265,447	$ 0
Total, Capital Budget	$ 13,624,393	$ 441,775

3. **Sale of Vehicles.** Funds derived from the sale of passenger vehicles and aircraft operated by the Department of Public Safety are hereby appropriated to the Department of Public Safety and are to be deposited in appropriations where like purchases can be made. Should the actual receipts from the sale of vehicles exceed the amount in the capital budget rider, the department is authorized to purchase vehicles in excess of the number listed.

4. **Marked Vehicles.** None of the funds appropriated hereinabove may be expended for the salaries of personnel operating motor vehicles used to stop and actually arrest offenders of highway speed laws unless such vehicles are black, white, or a combination thereof and plainly marked with the department's insignia.

5. **Restriction of Vehicle Use.** Notwithstanding the provisions of Article IX of this Act, the Department of Public Safety may certify no more than 15 exceptions to the prohibition related to use of a state car for commuting to and from work.

6. **Purchase of Vehicles, Texas Rangers.** From the amounts appropriated above in Strategy B.1.4, an amount of no less than $450,000 each fiscal year is to be spent for the purchase of new vehicles for the sole use of the Texas Rangers Division. It is the intent of the Legislature that no fewer than three vehicles purchased in fiscal year 2002 and two vehicles purchased in fiscal year 2003 be four wheel drive vehicles. Furthermore, no fewer than 14 vehicles purchased each fiscal year will be two wheel drive vehicles. All vehicles purchased under the direction of this rider are to have at least 100 cubic feet of cargo volume.

7. **Abandoned Vehicles.** Funds accruing to the department under the provisions of Chapter 683, Transportation Code, are hereby appropriated to the department to assist in the administration of the Act.

8. **Gasoline Contingency.** In addition to funds appropriated above and contingent upon certification by the Comptroller of Public Accounts, the Department of Public Safety is hereby appropriated up to $40,000 annualized per year from State Highway Fund No. 006 for each cent increase in the average gasoline cost per gallon to the department above $.90 per gallon (estimated to be $80,000).

9. **Emergency Calls.** The department shall maintain for each fiscal year, the number of times supervisory officers above the rank of lieutenant respond to emergency calls requiring departure from the officer's private residence or from the office. This information shall contain specific references as to the nature of each emergency.

10. **Aircraft Authority.** The Department of Public Safety is authorized to purchase, own, maintain, and operate helicopters in performance of its responsibilities. The department may purchase additional aircraft through seized funds. In addition to authority to purchase, own, maintain, and operate aircraft, the department is authorized to own, maintain, and operate any aircraft seized pursuant to authority contained in Chapter 481, Health and Safety Code, Chapter 59, Code of Criminal Procedure or under any other statute authorizing the department to own, maintain, or operate seized aircraft. The department is directed to submit, as part of its Annual Report, details on the acquisition and disposition of seized aircraft.

11. **Aviator Reimbursement.** From the amounts appropriated above, an amount not to exceed $10,000 each year of the biennium may be used for reimbursement of costs related to aviator assistance to state agencies, such as search and rescue or disaster-related functions. Reimbursements may include actual costs of aircraft operation including fuel, oil, maintenance and routine costs incurred by trained and certified private volunteer aviators using privately owned aircraft in state-authorized flight operations and training exercises associated with disaster-related activities. The reimbursement shall not exceed the rate approved by the state per flying hour, when such aircraft costs are not reimbursable by other governmental agencies in accordance with Chapter 418, Government Code.

12. **Controlled Substances.** All amounts received under Chapter 481, Health and Safety Code, Chapter 59, Code of Criminal Procedure, and under federal forfeiture programs are hereby appropriated to the Department of Public Safety to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year. Funding priority shall be given to the purchase of new equipment for field employees (estimated to be $1,000,000 annually from General Revenue and $5.2 million in fiscal year 2002 and $5.4 million in fiscal year 2003 from Federal Funds).

13. **Seized Assets Report.** The Department of Public Safety shall file with the Governor and the Legislative Budget Board, no later than the first Friday of October of each year and in a manner approved by the State Auditor's Office, a report disclosing information on seized/forfeited assets. The report shall contain a summary of receipts, disbursements, and fund balances for the fiscal year derived from both federal and state sources and supporting detail. The detail information shall, at a minimum, include the following:

    a. Regarding receipts: the court in which the case was adjudicated, the nature of the assets, the value of the assets, and the specific, intended use of the assets; and

    b. Regarding disbursements: the departmental control number, the departmental category, the division making the request, the specific item and amount requested, the amount the department approved, and the actual amount expended per item.

14. **Disposition of Seized Funds.** The Department of Public Safety is hereby directed to deposit all funds currently held, or obtained in the future pursuant to seizure actions or judicial forfeiture according to rules and procedures developed by the Comptroller of Public Accounts. The department shall cooperate with the Comptroller of Public Accounts in developing agreements and procedures for the deposit of seized state funds in accounts in the State Treasury.

15. **Witness Fees.** From the appropriations made herein, the Department of Public Safety may pay the witness fees and travel expenses of out-of-state witnesses, subject to the advance, written approval of the District Attorney for the county having venue over the law violation under investigation.

16. **Purchase of Evidence.** From the amounts appropriated above to the Department of Public Safety, an amount not to exceed one million dollars ($1,000,000) each year of the biennium, exclusive of amounts forfeited to the Department of Public Safety by any court of competent jurisdiction and amounts received from the United States government derived from the forfeiture of monies and property, is hereby designated for the purchase of evidence and/or information and surveillance expenses deemed necessary by the Department of Public Safety; and accountability for expenditures as set forth above shall be governed by such rules and regulations as the director of the Department of Public Safety may recommend, subject to review and approval by the State Auditor. Such amounts may be maintained in cash to facilitate the purchase of evidence, information and/or surveillance expense.

17. **Academy Costs.** The Department of Public Safety (DPS) may charge employees and students of the DPS Academy for tuition, lodging, and meals at such prices as may be set by the department. Such funds as received are hereby appropriated to cover the expenses entailed in providing such students and employees their lodging, meals, incidental expenses, and to pay visiting instructors.

18. **Medical and Funeral Costs.** Monies appropriated above may be expended for drugs, medical, hospital, laboratory and funeral costs of law enforcement employees or other employees performing duties involving unusual risk when injury or death occurs in the performance of such duties. It is the intent of the Legislature that monies appropriated above shall not be expended for drugs, medical, hospital, laboratory or funeral costs of employees who are not actively engaged in the performance of law enforcement or other hazardous duties or of law enforcement employees when injury or death occurs in the performance of clerical or office duties as distinguished from law enforcement or other duties involving unusual risk. Monies appropriated above may also be expended for physical examinations and testing when such examinations and tests are a condition of employment or exposure to infectious diseases or hazardous materials occurs in the line of duty.

19. **Authorization of Funeral Travel Reimbursement.** The Department of Public Safety may reimburse a commissioned peace officer or communications officer in its employ the costs for lodging, transportation and meals, in accordance with Article IX travel regulations of this Act, when such travel is for the purpose of representing the department at the funeral of a fallen peace officer. The reimbursement authorized by this provision applies to out-of-state, as well as, in-state travel. It is the intent of the Legislature that the department send only a small delegation to any single out-of-state funeral.

20. **Moving Expenses.** Notwithstanding any other provision of this Act, the department may use appropriated funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a commissioned peace officer employed by the department who is transferred from one designated headquarters to another so long as the department determines that the best interests of the State will be served by such transfer.

21. **Travel for Security Personnel.** Notwithstanding other provisions of this Act, commissioned Department of Public Safety personnel when transporting and providing security for the Governor or Governor-elect and his or her spouse and immediate family; other members of the executive, legislative, and judicial branches of state government; and visiting Governors from other states when assigned, shall be reimbursed for their actual meals, lodging and incidental expenses when on official travel in or out of the state.

22. **Historical Museum.** The Department of Public Safety is authorized to allow the Department of Public Safety Historical Museum to utilize department property for the purpose of a historical museum. No state funds are appropriated for this purpose.

23. **Polygraph Examinations.** None of the funds appropriated to the Department of Public Safety may be expended for polygraph testing of commissioned law enforcement officers of the Department of Public Safety, unless requested by the officer.

24. **Stranded Motorist Assistance.** The Department of Public Safety is designated as the lead state agency to help motorists whose vehicles are disabled on state and federal roads. The department shall obtain the cooperation of all relevant state agencies, especially the Texas Department of Transportation, and coordinate its efforts with all local law enforcement agencies and interested private businesses. As part of this initiative, the Department of Public Safety shall establish and publicize a toll free number and a universal distress signal for motorists that are in need of assistance.

25. **Supply and Inventory Cost Allocation.** The Department of Public Safety is hereby authorized to establish a supply and inventory cost pool to which appropriations may be transferred from any strategy item. These transfers shall be restricted to the purchase of supplies and inventory items. Expenditures from the cost pool shall be allocated back to the applicable strategies of the Department of Public Safety within 30 days following the close of each fiscal quarter.

26. **Criminal History Checks to Specified Licensing Agencies.** The Department of Public Safety shall provide to the agencies listed in Article 60.061, Code of Criminal Procedure, a system for checking at least annually, but not more than quarterly, or as otherwise provided by Article 60.061, the existing licensees of these agencies against information in criminal history files. The Department of Public Safety may not charge or assess a fee to an agency providing information to the department that is in excess of the actual direct cost incurred by the department.

27. **Contract with the State Office of Administrative Hearings.** Appropriations above include $2,600,000 in fiscal year 2002 and $2,600,000 in fiscal year 2003 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Administrative License Revocation Program for the purpose of conducting administrative hearings and for related expenses. The Department of Public Safety and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to the Department of Public Safety. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the program, the State Office of Administrative Hearings may enter into negotiations with the Department of Public Safety in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor, together with written permission of the agency.

28. **Contingency Appropriation Transfer for House Bill 1618.** Contingent upon the enactment of House Bill 1618, or similar legislation that would assess an additional fee on drivers license reinstatements, Rider 27, Contract with State Office of Administrative Hearings, shall be considered struck and does not take effect. Out of the amounts appropriated above in Strategy A.1.3, Driver License and Records, $2,524,586 in fiscal year 2002 and $2,489,295 in fiscal year 2003 from the State Highway Fund shall be transferred from the Department of Public Safety to the State Office of Administrative Hearings for use in Strategy A.1.1, Conduct Hearings.

29. **Appropriations of Receipts–Parking Violation Revenues.** The Department of Public Safety shall collect a $10.00 fine for all parking violations in the Capitol Complex. All revenue received from parking violations shall be deposited to the General Revenue Fund and is hereby appropriated for use by the Department of Public Safety for Capitol Police Security and parking for the 2002–03 biennium (estimated to be $100,030 annually in excess of the amounts appropriated above). All revenues collected from parking meters in the Capitol Complex are hereby appropriated to the Preservation Board, or as otherwise specified by statute.

30. **Contingency Appropriation Reduction.** The funds appropriated above to the department are hereby reduced by an equal amount from the General Revenue Fund, State Highway Fund 006, or a combination of the two funds in the event the Department of Public Safety expends any funds not authorized by the General Appropriations Act, any provision within this Act which places a limitation on expenditures, or an affirmative action by the Legislature.

31. **Appropriation Transfers.** Notwithstanding any other provision of this bill, the Department of Public Safety may not transfer funds between items of appropriation in excess of 25 percent and shall notify the Governor and the Legislative Budget Board any time the department transfers an amount of $100,000 or more between items of appropriation. Once the cumulative total of transfers from an item exceeds $100,000, notification shall be made of each transfer from that item thereafter, regardless of the amount. Such notification shall include the amount transferred, the strategies involved, and justification for the transfer. In addition, the Department of Public Safety is hereby prohibited from transferring any and all appropriations from Strategy B.1.4. into any other strategies without consent of the Governor and the Legislative Budget Board.

32. **Complex Crime Unit.** From monies appropriated above, the Department of Public Safety shall maintain a Complex Crime Unit to investigate offenses involving theft or misapplication of government property, the investigation of which requires a level of expertise in disciplines such as accounting, computer technology, or another that is not readily available to local law enforcement agencies.

    a. The total cost of assistance including administrative costs shall not exceed $1,000,000 to be paid in $500,000 in fiscal year 2002 and $500,000 in fiscal year 2003.

    b. The director of the department shall employ commissioned peace officers and noncommissioned employees to perform duties required of the unit. To be eligible for employment by the Complex Crime Unit, a peace officer must have not less than four years of experience as a peace officer; and a degree from an accredited institution of higher education in law, accounting or computer science; or two or more years of experience in the investigation of complex criminal offenses or similar law. To be eligible for employment under this section, a non-commissioned employee must meet the experience, training, and educational qualifications set by the director as requirements for investigating or assisting in the investigation of a crime.

    c. On the request of an attorney representing the state and with approval of the director, the Complex Crime Unit of the department may assist local law enforcement in the investigation of crime. On the request of the Governor and with the approval of the director, the Complex Crime Unit of the department may investigate a crime involving harm to the interests of a state agency.

33. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.**
Included in amounts appropriated above in Strategy A.1.5, Vehicle Inspection, is $5,456,000 each fiscal year for the operation of the vehicle emissions inspection and maintenance program pursuant to § 382.037, Health and Safety Code, and Executive Order GWB96-1.

In addition to the amounts appropriated above, to implement mandatory changes in the vehicle emissions inspection and maintenance program, an additional $1,366,943 is appropriated from General Revenue in fiscal year 2002 and an additional $5,064,268 is appropriated in fiscal year 2003. The "Number of Full-Time-Equivalent Positions (FTE)" indicated above is hereby increased by 21 for fiscal year 2002 and 27 for fiscal year 2003.

It is the intent of the Legislature that 80 percent of the fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above, as well as the "other direct and indirect cost" associated with the program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be $964,389 for fiscal year 2002 and $1,364,699 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriations authority provided above to be within the amount of revenue expected to be available.

If additional counties are brought into the vehicle emissions inspection and maintenance program, 80 percent of revenues generated from the vehicle emissions and inspections fee in excess of the Comptroller's Biennial Revenue Estimate in each fiscal year 2002 and 2003 are hereby appropriated to the agency for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program in the additional counties. In addition, if additional counties are brought into the vehicle emissions inspection and maintenance program, the "Number of Full-Time-Equivalent Positions (FTE)" is further increased by 15 for fiscal year 2002 and 30 for fiscal year 2003, to implement the program in the additional counties.

34. **Appropriation of Receipts: Concealed Handgun Licensing Program.** The amounts appropriated above for Strategy B.1.8, Concealed Handgun Licensing, include $5,413,218 for fiscal year 2002 and $5,413,218 for fiscal year 2003 from the Concealed Handgun License Account No. 991. All revenues in excess of these amounts, collected pursuant to Subchapter H, Chapter 411, Government Code, are hereby appropriated to the Department of Public Safety for the purpose of administering the Concealed Handgun Licensing Program. The total amount expended for the administration of the handgun licensing program, including "other direct and indirect costs" in the amount of $772,279 for fiscal year 2002 and $800,328 for fiscal year 2003, shall not exceed, in any biennium, the receipts collected pursuant to Subchapter H, Chapter 411, Government Code (estimated to be $119,564).

35. **Clothing Provisions.**

a. A commissioned officer who received a $1,200 clothing allowance pursuant to the Appropriations Act during the 2000–01 biennium shall receive a $1,200 clothing allowance in the 2002–03 biennium.

b. A commissioned officer who received a $500 cleaning allowance pursuant to the Appropriations Act for the 2000–01 biennium shall receive a $500 cleaning allowance in the 2002–03 biennium irrespective of promotion to any rank.

c. It is the intent of the Legislature that no person shall receive a $1,200 clothing allowance unless eligible in subsection (a).

d. An individual who is newly hired or newly commissioned after September 1, 1997, is eligible to receive a $500 cleaning allowance.

e. All noncommissioned personnel required to wear uniforms are entitled to a $500 cleaning allowance.

36. **Recruit Schools.** Recruits participating in the recruit school of the Department of Public Safety shall not be counted toward the limit on the number of full-time-equivalent positions (FTEs) for the agency until their graduation. Upon graduation, the additional officers shall not cause the department to exceed the department's limit on FTEs. The number of participants in the recruit schools shall be included in all required reports concerning FTEs and vacancies, but the recruits shall be reported as a separate total from the agency's other FTEs.

37. **Training for Local Law Enforcement Agencies.** The Department of Public Safety shall provide training to local law enforcement agencies and implement changes with the objective of enhancing participation.

38. **Reporting Procedure for Land Acquisition and Construction Projects.** The Department of Public Safety shall report to the Governor, the House Appropriations Committee, the Senate Finance Committee and the Legislative Budget Board if a department project managed by the General Services Commission and funded through appropriations by the Legislature lags six months or more behind the project's original timeline and/or exceeds the original budget by more than 25 percent. Reports should not include delays or cost overruns caused by acts of nature or other factors outside the control of the General Services Commission.

39. **EMT/Paramedic Certification.** The department is authorized to establish a pilot program designed to provide incentives for commissioned Traffic Law Enforcement Division personnel who wish to achieve certification as emergency medical technicians or paramedics. To that end, the department may work with the Department of Health and the regional trauma advisory councils to establish these incentives.

40. **Hardship Stations.** Out of funds appropriated above, the Department of Public Safety is authorized to designate 40 hardship stations across the state based on excessive vacancies in the Traffic Law Enforcement Division. The department shall provide incentives to commissioned peace officers accepting positions at these posts.

41. **Staffing Patterns.** It is the intent of the Legislature that the Department of Public Safety reduce personnel stationed at Central Headquarters in Austin to less than 25 percent of the department's total workforce. If the department has not reduced personnel at Central Headquarters in Austin to less than 25 percent by January 15, 2003, then appropriations to Strategy E.1.1, Central Administration, from the State Highway Fund No. 006 shall be reduced by $200,000 in fiscal year 2002 and in fiscal year 2003. All funds reduced from Strategy E.1.1, Central Administration, are to be separately accounted for by the Department of Public Safety, and used only for expenditures related to the moving, placing, and housing of personnel and equipment at a location offsite of Central Headquarters.

42. **Response to Bomb or Other Terrorist Threats in the Capitol Complex.** The Department of Public Safety shall review the procedures for responding to a bomb or other terrorist threat in the Capitol Complex, determine what changes, if any, would ensure a more effective response to a threat and adopt necessary changes.

    The Department of Public Safety shall also provide written procedures and guidance for responding to a bomb or other terroristic threat to each agency director in the Capitol Complex as well as any individual in charge of risk management for such agency.

43. **Security Services in the Capitol Complex.** The Department of Public Safety shall periodically review the security services provided by each law enforcement agency or security agency in the Capitol Complex (including the law enforcement services provided by the Internal

Investigations Division of the Office of the Attorney General in the Capitol Complex) and adopt rules to coordinate these services and insure maximum effectiveness. The review and adopted rules should aim to eliminate any duplication of services.

44. **Radio Technicians.** From funds appropriated above, the Department of Public Safety shall provide each administrative region with two radio technicians.

45. **Radio Systems.** The Department of Public Safety is required to report on functional radio system interoperability with the Texas Parks and Wildlife Department by traffic law enforcement region by January 15, 2002. If interoperability has not been achieved for 50 percent of the radio system by that date, then appropriations to Strategy E.1.1, Central Administration, from the State Highway Fund No. 006 shall be reduced by $250,000 in fiscal year 2002 and in fiscal year 2003. If interoperability has not been achieved for 85 percent of the radio system by January 15, 2003, appropriations to Strategy E.1.1, Central Administration, from State Highway Fund No. 006 shall be reduced by an additional $250,000 in fiscal year 2002 and in fiscal year 2003. All funds reduced from Strategy E.1.1, Central Administration, are to be separately accounted for by the Department of Public Safety, and used to purchase and/or otherwise acquire radio system equipment and improvements for state troopers.

46. **Radio Engineering Team.** Out of funds appropriated above, the Department of Public Safety may create a radio engineering team to coordinate radio issues between the department and other state and local governmental agencies in regards to frequency exchanges, support for frequency installation, consolidation of dispatch services, improvement of radio coverage, and possible consolidation of radio towers.

47. **Appropriation for Motorcycle Education and Training.** Out of funds appropriated for Strategy A.1.7, Education and Training, an increase of $250,000 each fiscal year is included for expansion of the Motorcycle Safety Unit for motorcycle education and training purposes.

48. **Transfer of Land and Office Building.** It is the intent of the Legislature that the Department of Public Safety transfer the beneficial use of their parcel of land and the building on this parcel, in Houston at 10110 Northwest Freeway, to the Board of Pardons and Paroles. The Board of Pardons and Paroles may utilize this property for office space.

49. **Transfer of Vehicles to Walker County.** The Department of Public Safety shall transfer five vehicles to Walker County. Three of these vehicles shall have mileage not to exceed 80,000, while the remaining two vehicles shall be newly purchased by the department out of funds appropriated above. The vehicles transferred from the Department of Public Safety are for the sole use of the Special Prison Prosecution Unit.

50. **Contingency Personnel, DNA Analyses.** Contingent on the receipt of federal funds for DNA analyses or DNA backlog elimination purposes in an amount sufficient to cover the costs related to the additional personnel authorized by this rider, the “Number of Full-Time-Equivalent Positions (FTE)” figure indicated above is hereby increased by 12 each fiscal year. Seven of these authorized FTEs are to be assigned to the department’s primary DNA facility, while the remaining five are to be assigned to field laboratories.

51. **Authorized Trooper Strength Increase.** From funds appropriated, the Department of Public Safety shall increase the number of highway patrol trooper positions to 1,873. It is the intent of the Legislature that the DPS increase by 10 percent the current number of troopers actually patrolling Texas highways by August 31, 2003. To the extent it is necessary to achieve this increase, the department may contract out non-vital agency functions, shift vacant positions from non-commissioned to commissioned status and transfer commissioned officers. Notwithstanding, the department is not authorized to reduce positions in the Texas Rangers to achieve the above directive.

52. **Contingency Personnel, North Texas Tollway Authority Contract.** The department is authorized 24 highway patrol service positions upon entering into an interlocal cooperation contract with the North Texas Tollway Authority to police the Dallas North Tollway Systems. The "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by eight each fiscal year. The eight FTEs authorized by this rider may not be added until the department increases by 10 percent the number of troopers patrolling Texas highways in accordance with the goals as outlined in Rider Number 51, Authorized Trooper Strength Increase.

    This authorization in contingent upon a certification by the State Auditor's Office that the contract covers all costs incurred, including salaries, retirement, group insurance, auto operation costs, operational expenses, and amortization of equipment, including, but not limited to, vehicles. The expenses to be covered must also include expenses related to radio communications, office space and furniture, printing, postage, personnel moving expenses, telephone services, patrol car equipment, and secretarial and clerical services. Prior to the execution of the contract, the department shall provide a copy of the contract to the Governor, Legislative Budget Board, and the State Auditor's Office. Upon termination of the contract, the department must notify the Governor, Legislative Budget Board, and the State Auditor's Office of the termination and phase out the additional FTEs.

53. **Information Services.** It is the intent of the Legislature that the Department of Public Safety utilize the West Texas Disaster Recovery and Operations Center (WTDROC), to the maximum extent possible, in compliance with Article IX, § 6.20, of the General Appropriations Act, Seventy-seventh Legislature, Regular Session. The department shall evaluate information services and projects receiving appropriations for fiscal years 2002 and 2003 that are performed within the agency, including disaster recovery, data center operations, and seat management for potential to be supplied by WTDROC. Once completed, the agency shall send a copy of this evaluation to the Governor, Legislative Budget Board, and Department of Information Resources.

54. **Unsolved Crimes Investigation Team.** Included in the amounts appropriated above in Strategy B.1.4, Texas Rangers, is $250,000 in each fiscal year for the purpose of providing assistance to Texas Law Enforcement with the investigation of unsolved murders and serial or linked criminal transaction. Also included above are 13 Full-Time Equivalents (FTEs) that are provided specifically for the staffing of the unsolved crimes investigation team with the intent that at least nine of the FTEs are commissioned personnel. The funds directed by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in the Act.

55. **Polygraph Examiners Board.** The Polygraph Examiners Board, Strategy D.1.1, is an agency of the State of Texas fully autonomous and independent of the Department of Public Safety pursuant to VTCA, Occupations Code § 1703.001. The board is responsible for hiring an Executive Officer, and shall pay this exempt employee a salary in an amount not to exceed $40,000 per annum. The Executive Officer position is subject to Article IX provisions regarding Scheduled Exempt Positions. Board member per diem shall not exceed $4,200 per year.

    Fee Rates

    The Polygraph Examiners Board shall establish reasonable fees pursuant to VTCA, Government Code § 316.043, to be effective during the biennium beginning on the effective date of this Act, not to exceed:

a.	Polygraph Examiners License	$ 500.00
b.	Internship License Application Fee	300.00
c.	Duplicate License	100.00
d.	Renewal Fee for Examiners License	500.00

e.	Extension or Renewal of an Internship License	150.00
f.	Examination Fee	200.00
g.	Late Fee	200.00

Appropriation: Unexpended Balance Authority

The Polygraph Examiners Board is hereby appropriated unexpended and unencumbered balances in an amount not to exceed $5,000 from the biennium ending August 31, 2001, to the biennium beginning September 1, 2001, and from the fiscal year ending August 31, 2002, to the fiscal year beginning September 1, 2002. Balances appropriated can only be expended for expenses related to hearings before the State Office of Administrative Hearings, and other unforseen circumstances. Unforseen circumstances include, but are not limited to, a large increase in the investigation of licensees and additional responsibilities, as may occur, related to the regulation of Computerized Voice Stress Analyzers and other devices which purport to detect truthfulness.

Assistance from the Department of Public Safety

The Department of Public Safety will be responsible for providing administrative support, as is necessary, to ensure that the Polygraph Examiners Board complete all written reports, including the legislative appropriations request, the strategic plan and the annual financial report, and all data entry into ABEST, USAS, and other state systems as is required of the Polygraph Examiners Board by statute or by oversight agency directives.

It is the intent of this rider that the Department of Public Safety assist the Polygraph Examiners Board in meeting the aforementioned requirements. The Executive Officer and staff of the Polygraph Examiners Board remain solely responsible for completing administrative tasks imposed by the Polygraph Examiners Board.

56. **Contingency Appropriation for Senate Bill 1074, House Bill 3064 and House Joint Resolution 97**. Out of the funds appropriated above, in Strategy A.1.1, Highway Patrol, $18,500,000 from general obligation bond or note proceeds is contingent on the enactments of Senate Bill 1074 and House Bill 3064, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, for capital expenditures related to the purchase of cameras as authorized by the constitutional amendment proposed in House Joint Resolution 97 and Senate Bill 1074. Out of the funds appropriated above, in Strategy E.1.1, Central Administration, $50,000 from the State Highway Fund No. 006 is contingent on the enactments of Senate Bill 1074 and House Bill 3064, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, for the administration of Senate Bill 1074. Also contingent on the enactments of Senate Bill 3064 and House Bill 3064, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" figure indicated above is hereby increased by two for fiscal year 2002 and one for fiscal year 2003.

YOUTH COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECT PUBLIC		
To protect the public from the delinquent and criminal acts of TYC youth while they are in institutional or community-based correctional programs.		
Outcome (Results/Impact):		
Turnover Rate of Juvenile Correctional Officers	20%	20%
A.1.1. Strategy: CORRECTIONAL PROGRAMS	$ 178,911,610	$ 180,042,579
Provide a continuum of TYC-operated and contracted correctional programs under conditions that promote the youth's positive development, and the interests and safety of the public, youth and staff.		
Output (Volume):		
Average Daily Population: Correctional Programs	5,719	5,842
Efficiencies:		
Capacity Cost in Correctional Programs Per Youth Day	85.71	84.43
A.1.2. Strategy: ASSESSMENT AND ORIENTATION	$ 4,214,592	$ 4,214,592
Provide a system of assessment and orientation which is culturally competent and accurately determines the relative security risk and treatment needs of committed youth so they are placed in appropriate programs.		
Output (Volume):		
Average Daily Population: Assessment and Orientation	436	436
A.1.3. Strategy: CONSTRUCT AND RENOVATE FACILITIES	$ UB	$10,792,136 &UB
Construct and renovate TYC facilities in order to provide sufficient capacity and proper conditions.		
Total, Goal A: PROTECT PUBLIC	$ 183,126,202	$ 195,049,307
B. Goal: ENABLE PRODUCTIVITY		
To enable TYC youth through habilitation to become productive and responsible citizens.		
Outcome (Results/Impact):		
Diploma or GED Rate	40%	41%
Percent Reading at Grade Level at Release	16%	17%
B.1.1. Strategy: EDUCATION AND WORKFORCE PROGRAMS	$ 29,711,319	$ 30,060,546
Provide or facilitate 12-month academic, GED, and workforce preparation programs.		
Output (Volume):		
Average Daily Attendance in TYC-operated Schools	4,173	4,422
Percent of Youth Leaving TYC Who Achieve at Least a One-month Gain in Math for Each Month of Instruction	67%	71%
Percent of Youth Leaving TYC Who Achieve at Least a One-month Gain in Reading for Each Month of Instruction	69%	71%
Average Daily Attendance in Career and Technology Education Courses in TYC-operated Schools	1,783	1,802
C. Goal: PROVIDE REHABILITATION		
To reduce the delinquent and criminal behavior of youth committed to TYC, and of youth currently residing in Texas and adjudicated delinquent by other states.		
Outcome (Results/Impact):		
One-year Rearrest Rate	54%	54%
One-year Rearrest Rate for Violent Offenses	8.6%	8.6%

One-year Reincarceration Rate: Total	26%	26%
Three-year Reincarceration Rate: Total	50%	50%
C.1.1. Strategy: CORRECTIONAL TREATMENT	$ 17,371,521	$ 17,663,552
Provide, through a competency-based resocialization system, correctional treatment programs appropriate to youth of all cultures.		
Output (Volume):		
ADP: Correctional Treatment	5,119	5,208
Efficiencies:		
Correctional Treatment Cost Per Youth Day	9.3	9.29
C.1.2. Strategy: SPECIALIZED CORRECTIONAL TREATMENT	$ 6,658,572	$ 6,788,982
Provide a system of culturally competent specialized correctional treatment programs for youth with the specialized needs of capital or serious violent offense history, sex offense history, chemical abuse dependence, emotional disturbance, or mental retardation.		
Output (Volume):		
Average Daily Population: Specialized Correctional Treatment	1,071	1,105
Efficiencies:		
Specialized Correctional Treatment Cost Per Youth Day	17.03	16.83
C.1.3. Strategy: AFTERCARE SERVICES	$ 9,599,834	$ 9,599,834
Provide a system of aftercare services.		
Output (Volume):		
Average Daily Population: Aftercare	3,100	3,130
Efficiencies:		
Aftercare Cost Per Youth Day	8.48	8.4
C.1.4. Strategy: INTERSTATE AGREEMENT	$ 217,997	$ 217,997
Implement the interstate cooperative agreement regarding the return and supervision of runaways and the supervision of juvenile probationers and parolees.		
Total, Goal C: PROVIDE REHABILITATION	$ 33,847,924	$ 34,270,365
D. Goal: PREVENT DELINQUENCY		
Help prevent delinquent behavior.		
D.1.1. Strategy: PROVIDE PREVENTION INFORMATION	$ 164,675	$ 164,675
Provide assistance and information to support state and local efforts in delinquency prevention.		
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 5,286,285	$ 5,286,285
E.1.2. Strategy: INFORMATION RESOURCES	$ 3,553,592	$ 3,553,592
E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,638,091	$ 1,638,091
Total, Goal E: INDIRECT ADMINISTRATION	$ 10,477,968	$ 10,477,968
Grand Total, YOUTH COMMISSION	$ 257,328,088	$ 270,022,861
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 231,400,979	$ 235,807,418
Earned Federal Funds	85,000	85,000
Subtotal, General Revenue Fund	$ 231,485,979	$ 235,892,418
Federal Funds	14,148,623	11,018,092

Other Funds		
Appropriated Receipts	185,327	185,327
Interagency Contracts	726,000	726,000
Bond Proceeds - General Obligation Bonds	UB	10,792,136
Interagency Contracts - Transfer from Foundation School Fund No. 193	10,782,159	11,408,888
Subtotal, Other Funds	$ 11,693,486	$ 23,112,351
Total, Method of Financing	$ 257,328,088	$ 270,022,861
Number of Full-Time-Equivalent Positions (FTE):	5,489.6	5,568.6
Schedule of Exempt Positions:		
Executive Director, Group 5	$118,000	$118,000
Per Diem of Board Members	3,600	3,600
Supplemental Appropriations Made in Riders:	$ 2,898,000	$ 698,000

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Education Building at Evins Regional Juvenile Center	$ 0	$ 2,243,366
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Utility, Road and Site Work	0	2,811,950
(2) Roof Replacements	0	1,929,914
(3) Rehabilitate Buildings and Systems	0	3,806,906
Total, Repair or Rehabilitation of Buildings and Facilities	$ 0	$ 8,548,770
c. Acquisition of Information Resource Technologies		
(1) Computer Workstation and Infrastructure Equipment Replacement - Business	655,500	655,500
(2) Computer Workstation and Infrastructure Equipment Replacement - Education	350,000	350,000
Total, Acquisition of Information Resource Technologies	$ 1,005,500	$ 1,005,500
d. Transportation Items		
(1) Vehicle Replacement	377,400	355,200

e. Acquisition of Capital Equipment and Items		
(1) Radio Conversion and Replacement	UB	UB
(2) Telemedicine System Equipment	148,000	UB
Total, Acquisition of Capital Equipment and Items	$ 148,000	$ UB
Total, Capital Budget	$ 1,530,900	$ 12,152,836
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,180,900	$ 1,010,700
Federal Funds	350,000	350,000
Bond Proceeds - General Obligation Bonds	0	10,792,136
Total, Method of Financing	$ 1,530,900	$ 12,152,836

2. **Interagency Contract Authorized, West Texas State School.** The Texas Youth Commission is authorized to lease from The University of Texas, for a term of years and upon conditions that are mutually agreeable to the Texas Youth Commission and The University of Texas, under authority of the Interagency Cooperation Act, certain facilities situated at Pyote Air Force Base, in Ward County, Texas (same being located in Block 16, University Lands). The Texas Youth Commission is authorized to pay to The University of Texas as rental for such a lease a sum not to exceed $10.00 per year.

3. **Appropriation of Other Agency Funds.** Any unexpended balances remaining in Independent School District Funds (not to exceed $155,000), the Student Benefit Fund (not to exceed $250,000), the Canteen Revolving Funds (not to exceed $7,500), and the Conference Account (not to exceed $3,500), and any gifts, grants, and donations as of August 31, 2001, and August 31, 2002 (estimated to be $247,000 per year) and any revenues accruing to those funds are appropriated to those funds for the succeeding fiscal years. Funds collected by vocational training shops at Texas Youth Commission institutions, including unexpended balances as of August 31, 2001 (not to exceed $35,000) are hereby appropriated for the purpose of purchasing and maintaining parts, tools, and other supplies necessary for the operation of those shops.

4. **Revolving Funds.** The Texas Youth Commission may establish out of any funds appropriated herein a revolving fund not to exceed $10,000 in the Central Office, and $10,000 in each institution, field office, or facility under its direction. Payments from these revolving funds may be made as directed by the commission. Reimbursement to such revolving funds shall be made out of appropriations provided for in this Article.

5. **Student Employment.** Subject to the approval of the Texas Youth Commission, students residing in any Texas Youth Commission facility may be assigned necessary duties in the operations of the facility and be paid on a limited basis out of any funds available to the respective institutions or facility not to exceed $50,000 a year for each institution and $10,000 a year for any other facility.

6. **Support Payment Collections.** The Texas Youth Commission shall annually report to the Governor and to the Legislative Budget Board the number of active accounts, including the amounts owed to the state pursuant to the Texas Family Code, § 54.06(a) court orders, and the total amount of funds collected.

7. **Federal Foster Care Claims.** Within the appropriations made above, the Texas Department of Protective and Regulatory Services, the Texas Youth Commission, and the Texas Juvenile Probation Commission shall document possible foster care claims for children in juvenile justice programs and maintain an interagency agreement to implement strategies and responsibilities

necessary to claim additional federal foster care funding; and consult with juvenile officials from other states and national experts in designing better foster care funding initiatives.

8. **Employee Medical Care.** Appropriations made in this Act for the Texas Youth Commission not otherwise restricted in use may also be expended to provide medical attention by medical staff and infirmaries at Texas Youth Commission facilities, or to pay necessary medical expenses, including the cost of broken eyeglasses and other health aids, for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.

9. **Fire Prevention and Safety.** In instances in which regular employees of facilities operated by the Texas Youth Commission are assigned extra duties on fire prevention teams or on special tactics and response teams, supplementary payments, not to exceed $125 per month for team leaders and $100 per month for team members, are authorized in addition to the salary rates stipulated by the provisions of Article IX of this Act relating to the position classifications and assigned salary ranges.

10. **Charges to Employees and Guests.**

    a. Collections for services rendered Texas Youth Commission employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

    b. As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the Texas Youth Commission may provide free meals for food service personnel and volunteer workers and may furnish housing facilities, meals and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

11. **Oversight of Construction Projects.** The commission shall contract with the Texas Department of Criminal Justice for construction management services for all construction projects involving the expenditure of bond funds appropriated above.

12. **Specialized Treatment Report.** The Texas Youth Commission shall, in its annual report, provide an assessment of the effectiveness of specialized treatment, emphasizing re-arrest rates of offenders receiving treatment.

13. **Unexpended Balances.** Unobligated balances (estimated to be $2,200,000 in General Obligation Bonds) as of August 31, 2001, in appropriations made by House Bill 1, Acts of the Seventy-sixth Legislature, Regular Session, 1999, as identified in Article V, § 1, Capital Budget, and House Bill 1, Acts of the Seventy-fifth Legislature, Regular Session, 1997, as identified in Article V, § 1, Capital Budget, are appropriated for the identical purposes for the biennium beginning September 1, 2001.

14. **Salaries, Education Professionals.**

    a. Each principal, supervisor, and classroom teacher employed in an institution operated by the Texas Youth Commission shall receive a monthly salary to be computed as follows: The applicable monthly salary rate specified in § 21.402, Texas Education Code, as amended, shall be multiplied by ten to arrive at a ten month salary rate. Such rate shall be divided by the number of days required in §21.401, Texas Education Code, for 10-month employees, and the resulting daily rate shall be multiplied by the number of on-duty days required of Texas Youth Commission educators, resulting in the adjusted annual salary. The adjusted annual salary is to be divided by 12 to arrive at the monthly rate. Salary rates for educational aides commencing employment before September 1, 1999, shall be calculated in the same manner, using 60 percent of the salary rate specified in § 21.402, Texas Education Code.

    b. The Texas Youth Commission may authorize salary rates at amounts above the adjusted annual salary determined in the preceding formula, but such rates, including longevity for persons commencing employment on September 1, 1983, or thereafter, and excluding hazardous duty pay, shall never exceed the rates of pay for like positions paid in the public schools of the city in which the Texas Youth Commission institution is located. Any authorized local increments will be in addition to adjusted annual salaries.

    c. There is hereby appropriated to the Texas Youth Commission from any unexpended balances on hand as of August 31, 2002, funds necessary to meet the requirements of this section in fiscal year 2003 in the event adjustments are made in the salary rates specified in the Texas Education Code or in salary rates paid by the public schools where Texas Youth Commission facilities are located.

15. **State-owned Housing Authorized.** As of September 1, 1998, the chief superintendent, assistant superintendent and the director of security are authorized to live in state-owned housing at a rate determined by the commission. Notwithstanding general provisions of this Act, commission employees first employed at the Sheffield Boot Camp and West Texas State School on or after September 1, 1999, are authorized to live in state-owned housing at the same rate as persons employed prior to September 1, 1999. Other commission employees may live in state-owned housing as set forth in Article IX, § 9.09, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are hereby appropriated to be used for maintaining employee housing.

16. **Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Youth Commission may transfer appropriations in an amount not to exceed $9.8 million made for fiscal year 2003 to fiscal year 2002 subject to the following conditions provided by this section:

    a. Transfers under this section may be made only if (1) juvenile correctional populations exceed appropriated areas of daily population targets or (2) for any other emergency expenditure, including expenditures necessitated by public calamity.

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

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

17. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies.

The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation, and appropriate assessment of the offender prior to release. Not later than March 1, 2002, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2002–03 biennium with the Texas Youth Commission at no less than the level maintained as of August 31, 2001.

18. **Training for GED and Reading Skills.** It is the intent of the Legislature that the Texas Youth Commission, to the extent possible, use funds appropriated above in Strategy B.1.1, Education and Workforce Programs, to prioritize reading at grade level and preparation for the GED in its educational program. A report containing statistical information regarding student performance on the Test of Adult Basic Education (TABE) shall be submitted to the Senate Finance Committee, House Appropriations Committee, the Legislative Budget Board, and the Governor on or before December 1, 2002.

19. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Youth Commission is authorized to adjust salaries of Juvenile Correctional Officers I, Juvenile Correctional Officers II, Juvenile Correctional Officers III, Juvenile Correctional Officers IV, Juvenile Correctional Officers V, and Juvenile Correctional Officers VI to rates within the designated salary group for the purpose of recruiting, employing and retaining career juvenile correctional personnel. Merit raises are prohibited for all Juvenile Correctional Officers who are receiving or are eligible to receive step adjustments in the career ladder system. It is the intent of the Legislature that all employees progressing through the career ladder receive at least a 4 percent or $1,200 increase, whichever is greater, during the 2002–03 biennium.

20. **Human Resources Management Plan.** From funds appropriated above, the Texas Youth Commission shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Youth Commission shall report, by October 1 of each year of the biennium, to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor's office the employee turnover rate, by job category, at the agency during the preceding fiscal year. The effectiveness of an agency's plan shall be measured by whether or not there is a reduction in annual employee turnover rates at the agency, specifically by the reduction in the turnover rates for juvenile correctional officers.

21. **Population Distribution Study.** The Texas Youth Commission (TYC) shall assess the effects of the size and distribution of TYC facilities across the state on the rehabilitation process. The assessment shall address the effects of family participation and the effects of gangs on the rehabilitation process. Moreover, the study shall address the effects of facility size, specifically with regards to the American Correctional Association recommendation that facilities not exceed 150 beds for optimal rehabilitation. This study and its results are not intended to be detrimental to existing TYC facilities. The Texas Youth Commission shall submit a report on its findings to the Governor and the Legislative Budget Board no later than December 1, 2002.

22. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Out of funds appropriated above in Strategy A.1.3, Construct and Renovate Facilities, $10,792,136 from general obligation bond or note proceeds is contingent on the enactment of House Bill 3064 and the adoption and voter approval of House Joint Resolution 97, or similar legislation,

and is appropriated for fiscal year 2003 for capital expenditures related to the repair or replacement of utilities, roads, and roofs, the repair or rehabilitation of buildings, and the construction of an education building at the Evins Regional Juvenile Center as authorized by the constitutional amendment proposed in House Joint Resolution 97 and House Bill 3064.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 104,176,240	$ 106,485,201
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 282,724,402	$ 319,156,822
A.1.3. Strategy: PUBLIC SAFETY BENEFITS Provide for the payment of death benefits to beneficiaries of public safety personnel as required by Section 615, Government Code. Estimated.	$ 900,000	$ 900,000
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 387,800,642	$ 426,542,023
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 387,800,642	$ 426,542,023
Method of Financing:		
General Revenue Fund, estimated	$ 330,130,679	$ 363,079,497
General Revenue - Dedicated, estimated	7,957,699	8,796,827
State Highway Fund No. 006, estimated	45,363,417	49,915,540
Federal Funds, estimated	3,073,775	3,358,414
Other Special State Funds, estimated	1,275,072	1,391,745
Total, Method of Financing	$ 387,800,642	$ 426,542,023

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 129,403,839	$ 132,274,075

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 26,728,461	$ 24,815,100
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 156,132,300	$ 157,089,175
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 156,132,300	$ 157,089,175
Method of Financing:		
General Revenue Fund, estimated	$ 130,400,130	$ 131,201,668
General Revenue - Dedicated, estimated	4,319,910	4,385,228
State Highway Fund No. 006, estimated	19,399,011	19,470,450
Federal Funds, estimated	1,508,883	1,517,376
Other Special State Funds, estimated	504,366	514,453
Total, Method of Financing	$ 156,132,300	$ 157,089,175

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 231,310,774	$ 236,793,692 & UB
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 231,310,774	$ 236,793,692
Method of Financing:		
General Revenue Fund	$ 230,897,774	$ 236,379,692
Current Fund Balance	413,000	414,000
Total, Method of Financing	$ 231,310,774	$ 236,793,692

LEASE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 1,868,687	$ 1,867,097 & UB
Grand Total, LEASE PAYMENTS	$ 1,868,687	$ 1,867,097

SPECIAL PROVISIONS RELATING TO PUBLIC SAFETY AND CRIMINAL JUSTICE AGENCIES

Sec. 2. **Authorization to Receive, Administer, and Disburse Federal Crime Funds.** Out of funds appropriated above, the Texas Department of Criminal Justice, the Texas Juvenile Probation Commission, and the Texas Youth Commission, may allocate matching funds in order to secure federal grants for the construction, expansion, renovation, and operation of correctional facilities and services, as authorized by federal legislation. These agencies are authorized to receive and disburse, in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available to the state for programs, projects, or services that otherwise could not be funded or undertaken without the receipt of such funding. Such federal funds are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. At least 14 days prior to any expenditure of such federal funds, documentation of the proposed use of the funds shall be provided to the Legislative Budget Board and the Governor.

Sec. 3. **Purchase of TDCJ Products**. It is the intent of the Legislature that state public safety and criminal justice agencies use products produced by the Texas Department of Criminal Justice to the greatest extent possible when either renovating existing facilities or constructing new facilities.

Sec. 4. **Prioritization of DNA Samples.** It is the intent of the Legislature that the Texas Department of Criminal Justice (TDCJ) prioritize the drawing of blood samples from inmates for the purpose of having these samples processed for DNA information needed for entry into the Department of Public Safety's (DPS) DNA database. The factors to be weighed by TDCJ shall include the severity of the offense, and the proximity to the time of release for the offender. It is also the intent of the Legislature that DPS prioritize any samples received prior to this Act taking effect with assistance from TDCJ using the above mentioned factors. At any time, DPS may request that TDCJ prioritize any particular sample for drawing and shipping to DPS, if DPS has information to the effect that the sample may provide evidence vital to a criminal investigation or judicial proceeding.

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Adjutant General's Department	$ 13,170,707	$ 13,004,082
Alcoholic Beverage Commission	24,332,734	24,899,598
Rider Appropriations	10,000	0
Contingency Appropriations	617,766	334,066
Total	24,960,500	25,233,664
Department of Criminal Justice	2,386,736,679	2,406,253,219
Rider Appropriations	4,000,000	0
Total	2,390,736,679	2,406,253,219
Criminal Justice Policy Council	1,221,694	1,280,526
Commission on Fire Protection	3,082,721	3,082,721
Rider Appropriations	28,000	28,000
Contingency Appropriations	100,000	0
Total	3,210,721	3,110,721
Commission on Jail Standards	921,756	921,756
Juvenile Probation Commission	97,089,748	97,649,049
Texas Military Facilities Commission	2,126,287	1,391,223
Texas Commission on Private Security	1,808,434	1,808,434
Department of Public Safety	22,622,816	21,287,829
Rider Appropriations	2,531,755	6,224,080
Total	25,154,571	27,511,909
Youth Commission	231,485,979	235,892,418
Subtotal, Public Safety and Criminal Justice	$ 2,791,887,076	$ 2,814,057,001
Retirement and Group Insurance	330,130,679	363,079,497
Social Security and Benefit Replacement Pay	130,400,130	131,201,668
Subtotal, Employee Benefits	$ 460,530,809	$ 494,281,165
Bond Debt Service Payments	230,897,774	236,379,692
Lease Payments	1,868,687	1,867,097
Subtotal, Debt Service	$ 232,766,461	$ 238,246,789
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	$ 3,485,184,346	$ 3,546,584,955

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Criminal Justice	$ 2,690,332	$ 2,690,332
Commission on Law Enforcement Officer Standards and Education	2,349,594	2,350,504
Rider Appropriations	50,000	50,000
Total	2,399,594	2,400,504
Department of Public Safety	40,688,374	40,799,926
Subtotal, Public Safety and Criminal Justice	$ 45,778,300	$ 45,890,762
Retirement and Group Insurance	7,957,699	8,796,827
Social Security and Benefit Replacement Pay	4,319,910	4,385,228
Subtotal, Employee Benefits	$ 12,277,609	$ 13,182,055
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	$ 58,055,909	$ 59,072,817

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Adjutant General's Department	$ 22,202,530	$ 23,225,984
Department of Criminal Justice	31,741,307	31,741,307
Criminal Justice Policy Council	50,000	50,000
Juvenile Probation Commission	11,931,698	12,438,865
Texas Military Facilities Commission	52,916,566	516,166
Department of Public Safety	15,218,311	15,218,311
Rider Appropriations	5,200,000	5,400,000
Total	20,418,311	20,618,311
Youth Commission	14,148,623	11,018,092
Subtotal, Public Safety and Criminal Justice	$ 153,409,035	$ 99,608,725
Retirement and Group Insurance	3,073,775	3,358,414
Social Security and Benefit Replacement Pay	1,508,883	1,517,376
Subtotal, Employee Benefits	$ 4,582,658	$ 4,875,790
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	$ 157,991,693	$ 104,484,515

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Adjutant General's Department	$ 450,000	$ 450,000
Alcoholic Beverage Commission	416,464	456,464
Department of Criminal Justice	74,589,224	142,468,789
Rider Appropriations	5,000,000	0
Total	79,589,224	142,468,789
Criminal Justice Policy Council	90,000	96,120
Commission on Fire Protection	5,000	5,000
Commission on Jail Standards	46,000	46,000
Juvenile Probation Commission	9,590,000	9,590,000
Commission on Law Enforcement Officer Standards and Education	63,600	63,600
Rider Appropriations	91,000	91,000
Total	154,600	154,600
Texas Military Facilities Commission	8,732,556	8,590,931
Texas Commission on Private Security	971,595	971,595
Department of Public Safety	285,769,936	303,200,759
Contingency Appropriations	(2,484,586)	(2,449,295)
Total	283,285,350	300,751,464
Youth Commission	11,693,486	23,112,351
Rider Appropriations	2,898,000	698,000
Total	14,591,486	23,810,351
Subtotal, Public Safety and Criminal Justice	$ 397,922,275	$ 487,391,314
Retirement and Group Insurance	46,638,489	51,307,285
Social Security and Benefit Replacement Pay	19,903,377	19,984,903
Subtotal, Employee Benefits	$ 66,541,866	$ 71,292,188
Bond Debt Service Payments	413,000	414,000
Subtotal, Debt Service	$ 413,000	$ 414,000
Less Interagency Contracts	$ 72,475,303	$ 73,372,177
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	$ 392,401,838	$ 485,725,325

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Adjutant General's Department	$ 35,823,237	$ 36,680,066
Alcoholic Beverage Commission	24,749,198	25,356,062
Rider Appropriations	10,000	0
Contingency Appropriations	617,766	334,066
Total	25,376,964	25,690,128
Department of Criminal Justice	2,495,757,542	2,583,153,647
Rider Appropriations	9,000,000	0
Total	2,504,757,542	2,583,153,647
Criminal Justice Policy Council	1,361,694	1,426,646
Commission on Fire Protection	3,087,721	3,087,721
Rider Appropriations	28,000	28,000
Contingency Appropriations	100,000	0
Total	3,215,721	3,115,721
Commission on Jail Standards	967,756	967,756
Juvenile Probation Commission	118,611,446	119,677,914
Commission on Law Enforcement Officer Standards and Education	2,413,194	2,414,104
Rider Appropriations	141,000	141,000
Total	2,554,194	2,555,104
Texas Military Facilities Commission	63,775,409	10,498,320
Texas Commission on Private Security	2,780,029	2,780,029
Department of Public Safety	364,299,437	380,506,825
Rider Appropriations	7,731,755	11,624,080
Contingency Appropriations	(2,484,586)	(2,449,295)
Total	369,546,606	389,681,610
Youth Commission	257,328,088	270,022,861
Rider Appropriations	2,898,000	698,000
Total	260,226,088	270,720,861
Subtotal, Public Safety and Criminal Justice	$ 3,388,996,686	$ 3,446,947,802

RECAPITULATION - ARTICLE V
PUBLIC SAFETY AND CRIMINAL JUSTICE
(All Funds)
(Continued)

Retirement and Group Insurance	387,800,642	426,542,023
Social Security and Benefit Replacement Pay	156,132,300	157,089,175
Subtotal, Employee Benefits	$ 543,932,942	$ 583,631,198
Bond Debt Service Payments	231,310,774	236,793,692
Lease Payments	1,868,687	1,867,097
Subtotal, Debt Service	$ 233,179,461	$ 238,660,789
Less Interagency Contracts	$ 72,475,303	$ 73,372,177
TOTAL, ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	$ 4,093,633,786	$ 4,195,867,612
Number of Full-time Equivalent Positions (FTE)	56,745.3	56,889.3

ARTICLE VI

NATURAL RESOURCES

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

DEPARTMENT OF AGRICULTURE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: MARKETS & PUBLIC HEALTH		
To enable Texas farmers, ranchers and agribusinesses to expand profitable markets for their agricultural products while protecting public health and our natural resources.		
Outcome (Results/Impact):		
Percent Increase from the 1996 Level in the Number of Marketing Opportunities for Texas Farmers, Ranchers and Agribusinesses	89%	92%
Percent Reduction from the 1994 Level in the Number of Pesticide-related Violations	3%	7%
Percent of Communities Assisted by TDED and TDA	85%	85%
A.1.1. Strategy: GENERATE MARKETS	$ 12,704,421	$ 7,619,000
Generate marketing opportunities for Texas farmers, ranchers and agribusinesses.		
Output (Volume):		
Number of Acres Inspected for Seed Certification	190,000	190,000
Number of Rural Communities Assisted by TDED and TDA	680	680
Rural Development Activities and Events Held by TDA and TDED	120	120
Businesses Developed as Expansion and Recruitment Prospects in Rural Texas	1,300	1,300
A.1.2. Strategy: REGULATE PESTICIDE USE	$ 6,910,909	$ 5,839,380
Regulate pesticide use through registration, certification, education and enforcement.		
Output (Volume):		
Number of Pesticide Complaint Investigations Conducted	225	225
A.1.3. Strategy: INTEGRATED PEST MANAGEMENT	$ 27,248,623	$ 26,914,473
Assist farmers with integrated pest management practices to reduce pesticide use.		
Output (Volume):		
Hours Spent Informing Producers and Surveying Cotton for Compliance with Cotton Stalk Destruction Deadlines	12,500	12,500
Number of Inspections to Verify Compliance for Organic or Other Crop Production Certification Programs	1,307	1,320
A.1.4. Strategy: CERTIFY PRODUCE	$ 265,915	$ 254,014
Certify fruits, vegetables, peanuts and nuts to enhance their marketability.		
Output (Volume):		
Number of Pounds of Fruits, Vegetables, Peanuts and Nuts Inspected (in Billions)	3.1	3.2
A.1.5. Strategy: WEATHER MODIFICATION	$ 2,483,574	$ 2,483,574
Enhance agricultural production by administering a weather modification and control grant program to allow eligible participants to change or control or attempt to change or control, by artificial methods, the natural development of atmospheric cloud forms		

or precipitation forms which occur in the troposphere.		
Total, Goal A: MARKETS & PUBLIC HEALTH	$ 49,613,442	$ 43,110,441
B. Goal: ENFORCE STANDARDS		
To protect consumers by establishing and enforcing standards for agricultural commodities.		
Outcome (Results/Impact):		
Percent of Seed Samples Found to Be in Full Compliance with State and Federal Standards	97%	97%
B.1.1. Strategy: NURSERY/FLORAL REGULATION	$ 2,303,122	$ 2,095,910
Inspect and register nursery and floral production and retail outlets.		
Output (Volume):		
Number of Nursery and Floral Establishment Inspections Conducted	11,500	11,500
B.1.2. Strategy: VERIFY SEED QUALITY	$ 2,184,843	$ 1,849,382
Verify that farmers, ranchers and home gardeners receive the quality and type of seeds desired.		
Output (Volume):		
Number of Seed Samples Analyzed	20,500	20,500
B.1.3. Strategy: AGRICULTURAL COMMODITY REGULATION	$ 1,668,061	$ 1,420,225
Regulate agricultural commodities through verification, licensing, inspection and enforcement of state standards for eggs, grain warehouses, perishables and other agricultural commodities.		
Output (Volume):		
Number of Egg Producer, Dealer, Wholesaler, and Retailer Inspections Conducted	3,500	3,500
Number of Grain Warehouse Inspections, Re-inspections and Audits Conducted	650	650
Total, Goal B: ENFORCE STANDARDS	$ 6,156,026	$ 5,365,517
C. Goal: ENSURE PROPER MEASUREMENT		
To increase the likelihood that goods offered for sale to Texas consumers are properly measured, priced and marketed.		
Outcome (Results/Impact):		
Percent of Total Weights and Measures Inspections Conducted That Are Found to Be in Full Compliance with State and Federal Standards	96%	96%
C.1.1. Strategy: INSPECT MEASURING DEVICES	$ 3,979,188	$ 3,513,258
Inspect weighing and measuring devices and remove inaccurately measured, priced or marketed goods from sale.		
Output (Volume):		
Number of Weights and Measures Inspections Conducted	123,000	123,000
D. Goal: FAIR PARK STRUCTURE RESTORATION		
Oversee structural building improvements within the Agrarian District at Fair Park.		
D.1.1. Strategy: FAIR PARK STRUCTURE RESTORATION	$ 2,474,600	$ 0
Prioritize, monitor, and manage the use of appropriated funds for structural building improvements within the Agrarian District at Fair Park.		
Grand Total, DEPARTMENT OF AGRICULTURE	$ 62,223,256	$ 51,989,216

Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 55,419,778	$ 49,184,499
Earned Federal Funds	382,363	382,363
Subtotal, General Revenue Fund	$ 55,802,141	$ 49,566,862
General Revenue Fund - Dedicated		
GR Dedicated - Young Farmer Loan Guarantee Account No. 5002	100,000	100,000
GR Dedicated - GO TEXAN Partner Program Account No. 5051	2,060,000	60,000
Subtotal, General Revenue Fund - Dedicated	$ 2,160,000	$ 160,000
Federal Funds	1,477,394	1,477,394
Other Funds		
Farm and Ranch Finance Program Fund Account No. 575	76,632	76,991
Appropriated Receipts	2,148,000	148,000
Texas Agricultural Fund No. 683	250,089	249,969
Interagency Contracts	309,000	310,000
Subtotal, Other Funds	$ 2,783,721	$ 784,960
Total, Method of Financing	$ 62,223,256	$ 51,989,216
Number of Full-Time-Equivalent Positions (FTE):	506.5	506.5
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Commissioner of Agriculture, Group 4	$92,217	$92,217
Supplemental Appropriations Made in Riders:	$ 2,667,950	$ 825,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer equipment and software	$ 165,000	$ 165,000
(2) Information Systems Development	3,500,000	UB
Total, Acquisition of Information Resource Technologies	$ 3,665,000	$ 165,000 & UB
b. Transportation Items		
(1) Fleet Vehicles	350,000	350,000
Total, Transportation Items	$ 350,000	$ 350,000

c. Acquisition of Capital Equipment and Items		
(1) Octane Analyzers	40,000	40,000
Total, Acquisition of Capital Equipment and Items	$ 40,000	$ 40,000
Total, Capital Budget	$ 4,055,000	$ 555,000

2. **Appropriation of Receipts: Yardage Fees.** Fifty percent of the total amount of yardage fee revenue collected by the Texas Department of Agriculture in each fiscal year pursuant to the Agriculture Code, § 146.021, is hereby appropriated to the department for fiscal years 2002 and 2003, for the purpose of paying livestock export facility lease and maintenance expenses. The remaining 50 percent of the total yardage fee revenue collected in each fiscal year shall be transferred to the unobligated portion of the General Revenue Fund and is not subject to appropriation by this provision or by Article IX of this Act. Amounts appropriated pursuant to this provision are included above in Strategy Item A.1.1, Generate Markets, and are identified above in the Method of Finance as General Revenue in an estimated amount of $200,000 for each fiscal year.

   In addition to the amounts appropriated above, any unexpended and unobligated balances remaining as of August 31, 2001, are hereby appropriated for the same purposes for the biennium to Strategy A.1.1, Generate Markets, beginning September 1, 2001, estimated to be $42,950 in General Revenue.

3. **Appropriation: Land Donations.** The Department of Agriculture is hereby authorized to lease and/or accept the donation of land or the use of land from either governmental agencies, private firms, corporations, or individuals to be used in connection with the performance of its various responsibilities and programs.

4. **Appropriation: Publication Fees.** The department is hereby appropriated any subscription fees, royalties, advertising revenues, or charges collected for publications, services or products produced by the department, subject to any restrictions on publications fee appropriations contained elsewhere in this Act.

5. **Fee Increase Authority and Limitation.** For the purpose of implementing the intent of the Legislature, that the department collect fee amounts which offset, when feasible, the direct and indirect costs of administering its regulatory activities, the department is hereby authorized to and shall increase the fees by a percentage sufficient to offset costs associated with its regulatory activities. It is the intent of the Legislature that the cost offset percentage shall be 100 percent. The following activities are exempt from this requirement: Seed Testing, Quarantine Enforcement/Education; Piece Rate Crop Survey; Pest Management Program; Agriculture Hazard Communication Act; Boll Weevil Control Act; Predatory Management Program.

6. **Pay for Regular Compensatory Time: Livestock Export Pen Operations.** It is expressly provided that the Department of Agriculture, to the extent permitted by law, may pay FLSA nonexempt employees in classified positions who are stationed at Department of Agriculture livestock export pens for compensatory time hours on a straight-time basis when the taking of compensatory time off would be disruptive to normal working activities and other critical functions relating to livestock export pen operations.

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

8. **Appropriation: Young Farmer Loan Guarantee Program.** Out of the Young Farmer Loan Guarantee Account No. 5002, the Texas Agricultural Finance Authority is hereby appropriated for fiscal years 2002 and 2003, all necessary amounts required to cover any defaults on loans referenced under § 58.055, Texas Agriculture Code, or for payments for the purpose of providing reduced interest rates on loans guaranteed to borrowers as authorized by § 58.052(e), Texas Agriculture Code.

9. **Appropriation: Earned Federal Funds.** The Department of Agriculture is hereby appropriated all earned federal funds received during the biennium beginning with the effective date of this Act that are in addition to those earned federal funds specified in the method of financing above.

10. **Unexpended Balances Between Fiscal Years.** Any unexpended balances as of August 31, 2002, in the appropriations made herein to the Department of Agriculture are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

11. **Appropriations Limited to Revenue Collections: Octane Testing.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, the amount of $355,137 from the General Revenue Fund (Revenue Object Code 3015) in each fiscal year of the biennium is contingent on the collection of fees, in accordance with Article 8614, § 9, Vernon's Texas Civil Statutes, to be used solely for the purpose of administering an octane testing program.

12. **Appropriation: Fair Park Structure Restoration.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy D.1.1, Fair Park Structure Restoration, is the amount of $2,474,600 from the General Revenue Fund in fiscal year 2002 to be used solely for structural building improvements within the Agrarian District at Fair Park.

    The Legislature intends that this appropriation be contingent upon Fair Park charging no rent or additional fees/charges for the next two years (fiscal years 2002 and 2003) to the State of Texas or any state agencies for exhibition in the Agrarian District.

    The Legislature further intends that funding not be used on roads, murals, fountains, or any other park enhancements without the prior written approval of the Legislative Budget Board (LBB). The Department of Agriculture shall prioritize, monitor and manage the use of appropriated funds and submit semi-annual progress reports to the LBB and the Governor.

13. **Appropriations: License Plate Receipts.** In addition to amounts appropriated above in Strategy A.1.1, Generate Markets, there is hereby appropriated to the Department of Agriculture all balances collected prior to the effective date of this Act and revenue collected on or after September 1, 2001, from the sale of license plates as provided by VTCA, Transportation Code § 502.2761.

    Any unexpended balances as of August 31, 2002, out of the appropriations made herein are appropriated to the Department of Agriculture for the fiscal year beginning September 1, 2002.

14. **Interagency Contract: Oyster Promotions and Education.** The Texas Department of Agriculture shall enter into an interagency contract with the Texas Department of Health for oyster industry advertising and promotion efforts and to provide information, education and/or training to wholesalers, retailers, and consumers on the safe and proper handling of oysters, in accordance with VTCA, Texas Agriculture Code, § 47. Revenues received from this interagency contract in the amount of $200,000 for each fiscal year are included in amounts appropriated above in Strategy A.1.1, Generate Markets.

15. **Capital Construction of Metrology Laboratory.** The Texas Public Finance Authority may issue revenue bonds or other revenue obligations to finance a metrology laboratory project consisting of the construction of the laboratory, including the acquisition of real and personal property, construction project management and equipping the laboratory ("Project"), in accordance with Chapter 1232, Government Code, for an estimated project cost of $1.8 million. From the proceeds of the issuance and sale of such bonds or other obligations such amounts as may be necessary to fund associated costs, including the cost of issuance, reasonably required reserved funds, capitalized interest, and other administrative costs are hereby appropriated to the Texas Public Finance Authority. From the remaining proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the costs of the Project construction for the metrology laboratory are hereby appropriated to the Texas Department of Agriculture the fiscal biennium beginning September 1, 2001.

    Included in the amounts appropriated above to the Texas Department of Agriculture in Strategy C.1.1, Inspect Measuring Devices, are amounts required in each of fiscal year 2002 and 2003 to pay lease payments to the Texas Public Finance Authority sufficient for the Authority to make debt service payments of the revenue bonds or other revenue obligations authorized in this section. The amount of the required lease payments are estimated to be $63,000 in fiscal year 2002 and $156,500 in fiscal year 2003.

    It is the intent of the Legislature that the Texas Department of Agriculture increase fees for the metrology program to recover an amount equal to the amount of the appropriations made herein for lease payments, and that the fee increase be maintained in such an amount during the term of any revenue obligations authorized herein.

16. **Contingency Appropriation: Additional Loan Volume.** Contingent upon the approval of at least 14 Texas Agricultural Finance Authority financial assistance applications within two quarters in either fiscal year 2002 or 2003, the Department of Agriculture is hereby appropriated an amount not to exceed $75,000 in fiscal year 2002 and $75,000 in fiscal year 2003 out of the Texas Agriculture Fund No. 683 and/or the Farm and Ranch Finance Program Fund Account No. 575, to Strategy A.1.1, Generate Markets, for the sole purpose of recovering costs related to loan generation, monitoring and bond issuance. Any additional appropriations made herein are appropriated from the Texas Agriculture Fund and/or the Farm and Ranch Finance Program Fund in proportion to the number and type of new financial commitments. Also contingent upon the number of Texas Agriculture Finance Authority financial assistance applications approved, the “Number of Full-time Equivalent Positions (FTE)” cap is hereby increased by one each fiscal year.

17. **Appropriation: “Go Texan” Partner Program.** Included in amounts appropriated above to the Texas Department of Agriculture in Strategy A.1.1, Generate Markets, is $2,000,000 out of the GO TEXAN Partner Program Account No. 5051 in fiscal year 2002, for the purpose of promoting Texas agricultural products. This amount consists of $2,000,000 in general revenue funds to be transferred to the “Go Texan” Partner Program Account.

    Also included in amounts appropriated above, the Texas Department of Agriculture is appropriated $2 million in Appropriated Receipts received as matching funds from program participants including gifts. All appropriations shall be transferred to the “Go Texan” Partner Program Account and are appropriated for the purpose of implementing the program.

18. **Contingency to Increase the Full-time Equivalent (FTE) Cap for New Initiatives.** Contingent upon the receipt of federal funds above those appropriated herein for programs related to surveying, controlling or eradicating invasive pests or disease, the Department of Agriculture is hereby authorized to increase its number of FTEs to the extent that federal funds are allocated for salary costs. These FTEs shall not be counted in the agency’s “Number of Full-time Equivalent Positions (FTE)” cap.

The Department of Agriculture shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, Legislative Budget Board and the Governor's Office prior to filling such positions.

19. **Appropriations Limited to Revenue Collections: Prescribed Burn Manager Certification Program.** In addition to amounts appropriated above, the Texas Department of Agriculture is hereby appropriated fees collected in accordance with § 153.048, Natural Resources Code, to be used solely for the purpose of administering a prescribed burn manager certification program.

20. **Weather Modification Grant Program.** Included in amounts appropriated above in Strategy A.1.5, Weather Modification, is the amount of $2,483,574 from the General Revenue Fund in each fiscal year of the biennium and one FTE each fiscal year to administer the weather modification grant program.

    In addition to amounts appropriated above, any unexpended balances as of August 31, 2001, related to the weather modification grant program made to the Texas Natural Resource Conservation Commission, are hereby appropriated to the Texas Department of Agriculture for the biennium beginning September 1, 2001.

    Any property, or equipment utilized in connection with the weather modification grant program, including, but not limited to, office furniture and equipment as of August 31, 2001, shall be transferred from the Texas Natural Resource Conservation Commission to the Texas Department of Agriculture.

21. **Information Systems Development.** Included in amounts appropriated above to the Department of Agriculture is $3,500,000 for the 2002–03 biennium out of the General Revenue Fund, for the sole purpose of implementing an information system which supports license processing, web based access on agency information and services, customer relationship management, and management reporting and analysis.

22. **Contingency Appropriation for House Bill 1954.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session of House Bill 1954, or similar legislation relating to the regulation and promotion of the oyster industry and authorizing the reimbursement of Texas Oyster Advisory Committee expenses, and pursuant to § 2110.004, Government Code, the Texas Oyster Advisory Committee may be reimbursed out of funds appropriated above.

    Also, contingent on the enactment of House Bill 1954 or similar legislation, the travel cap for the Texas Department of Agriculture is hereby increased by an amount not to exceed $4,300 each fiscal year for authorized travel expenditures made by or on behalf of the Texas Oyster Advisory Committee.

23. **Agricultural Sustainability Programs.** Out of funds appropriated above, the Texas Department of Agriculture may study, develop, and implement, creative technology and innovative solutions to mitigate agricultural non-point source pollution in the state from confined animal feeding operations and improve total resource management of agricultural and wildlife resources in the state.

24. **Appropriation: Targeted Salary Increase.** Notwithstanding other appropriations made by this Act related to salary increases, in addition to amounts appropriated above to the Texas Department of Agriculture, there is hereby appropriated $500,000 in fiscal year 2002 and $500,000 in fiscal year 2003 out of the General Revenue Fund for the purpose of making salary increases for select job classes.

The Texas Department of Agriculture is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

25. **Contingency for House Bill 1086.** Contingent upon enactment of House Bill 1086, or similar legislation relating to the establishment of a grant program for the provision of surplus agricultural products to eligible recipients identified by local food banks and agencies, by the Seventy-seventh Legislature, Regular Session, the Department of Agriculture is hereby appropriated $250,000 in fiscal year 2002 and $250,000 in fiscal year 2003 out of the General Revenue Fund for the sole purpose of implementing that Act.

ANIMAL HEALTH COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECT/ENHANCE TEXAS ANIMAL HEALTH To protect and enhance the health of Texas animal populations, facilitating productivity and marketability while sustaining reduced human health risks.		
Outcome (Results/Impact): Percent Change in Known Prevalence of Bovine Brucellosis from the 1994 Level	(98.3)%	(99.1)%
A.1.1. Strategy: FIELD OPERATIONS To monitor, control and/or eradicate diseases and infestations through statewide field based animal health management and assurance programs.	$ 8,621,960	$ 8,598,167
Output (Volume): Number of Livestock Shipments Inspected	8,250	8,650
A.1.2. Strategy: DIAGNOSTIC/EPIDEMIOLOGICAL SUPPORT To provide epidemiological expertise, serological testing, microbiological confirmation and parasite identification services for diseases and parasitisms of regulatory importance to the animal agriculture industries in Texas.	$ 1,666,389	$ 1,680,283
Output (Volume): Number of Specimens Processed through the State/Federal Cooperative Laboratory System	2,625,000	2,625,000
A.1.3. Strategy: PROMOTE COMPLIANCE To promote voluntary compliance with legal requirements through providing education/information, and to resolve violations through effective use of legal enforcement and compliance activities.	$ 383,275	$ 383,984
Output (Volume): Number of Compliance Actions Completed	380	380
Total, Goal A: PROTECT/ENHANCE TEXAS ANIMAL HEALTH	$ 10,671,624	$ 10,662,434

ANIMAL HEALTH COMMISSION
(Continued)

B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 953,417	$ 956,828
B.1.2. Strategy: INFORMATION RESOURCES	$ 323,824	$ 325,306
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 268,825	$ 271,121
Total, Goal B: INDIRECT ADMINISTRATION	$ 1,546,066	$ 1,553,255
Grand Total, ANIMAL HEALTH COMMISSION	$ 12,217,690	$ 12,215,689
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 9,163,877	$ 9,163,876
Earned Federal Funds	121,500	121,500
Subtotal, General Revenue Fund	$ 9,285,377	$ 9,285,376
Federal Funds	2,932,313	2,930,313
Total, Method of Financing	$ 12,217,690	$ 12,215,689
Number of Full-Time-Equivalent Positions (FTE):	215.0	215.0
Number of FTEs in Riders:	7.0	7.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$87,500	$87,500
Per Diem of Board Members	2,500	2,500

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Computer Equipment	$ 68,500	$ 68,500
Total, Capital Budget	$ 68,500	$ 68,500

2. **Unexpended Balance Authority: Between Fiscal Years.** The Texas Animal Health Commission is hereby authorized to carry forward and is hereby appropriated any unexpended balances from fiscal year 2002 to fiscal year 2003.

3. **Laboratory Testing.** It is the intent of the Legislature that laboratory testing for animal diseases be performed at the Texas Veterinary Medical Diagnostic Lab (TVMDL) to the extent of its capabilities, unless the Texas Animal Health Commission (TAHC) State-Federal Laboratory can perform the testing for TAHC programs more cost effectively. Furthermore, the Texas Animal Health Commission will work with TVMDL to reduce duplication and ensure that all testing is performed in Texas to the extent possible.

4. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Tuberculosis Eradication Program.** Contingent upon the receipt of Federal Funds for the tuberculosis eradication program, estimated to be $293,120 for the biennium and include above in Strategy A.1.1, Field Operations, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the tuberculosis eradication program are allocated for salary costs. The "Number of Full-time Equivalent Positions (FTE)" cap is hereby increased by five FTEs each fiscal year.

   The Animal Health Commission shall report all additional FTEs authorized by ths provision to the Comptroller of Public Accounts, the Legislative Budget Board, and the Governor's Office prior to filling such positions.

5. **Contingency to Increase the Full-time Equivalent (FTE) Cap for the Scrapie Program.** Contingent upon the receipt of Federal Funds for the scrapie program, the Animal Health Commission is hereby authorized to increase its number of FTEs to the extent that federal funds for the scrapie program are allocated for salary costs. The "Number of Full-time Equivalent Positions (FTE)" cap is hereby increased by no more than two FTEs each fiscal year.

   The Animal Health Commission shall report all additional FTEs authorized by this provision to the Comptroller of Public Accounts, Legislative Budget Board and the Governor's Office prior to filling such positions.

GENERAL LAND OFFICE AND VETERANS' LAND BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENHANCE STATE ASSETS		
To enhance the value of state assets and the revenues they generate through prudent and innovative management of state-owned land, minerals, and other assets.		
Outcome (Results/Impact):		
Percent of Permanent School Fund Uplands Acreage Leased	76%	76%
A.1.1. Strategy: ENERGY LEASE MANAGEMENT	$ 6,613,728	$ 6,496,891
Assess the revenue potential of state lands for energy leasing; conduct aggressive energy leasing and revenue management activities; promote the sale and use of state-owned energy resources, including renewable energy resources, to maximize the revenue generated by assets; and develop strategic public-private partnerships and programs to promote economic development.		
Output (Volume):		
Average Monthly Volume of In-kind Gas Sold in Thousand Cubic Feet (MCF)	2,000,000	2,000,000
Average Monthly Volume of In-kind Oil Sold in Barrels	120,000	125,000
Amount of Revenue Detected from Audits	7,000,000	8,000,000
Amount of Revenue Detected from Reconciliations	1,000,000	1,000,000
A.1.2. Strategy: SURFACE AND COASTAL LEASING	$ 2,887,938	$ 2,889,655
Promote and conduct aggressive surface and coastal leasing activities for Permanent School Fund and state agency land, and monitor lease compliance.		

Output (Volume):		
Annual Revenue from Uplands Surface Leases	920,000	940,000
Annual Revenue from Coastal Leases	2,100,000	2,210,000
A.1.3. Strategy: ASSET MANAGEMENT	$ 3,300,473	$ 3,384,978
Evaluate Permanent School Fund and state agency land and dispose of selected tracts through sale or trade.		
Output (Volume):		
Annual Revenue from the Sale of State Land	19,977,000	4,000,000
Total, Goal A: ENHANCE STATE ASSETS	$ 12,802,139	$ 12,771,524
B. Goal: PROTECT THE ENVIRONMENT		
To improve and protect the Texas environment and promote wise use of resources while creating new markets and jobs through environmental initiatives in partnership with the public and private sectors.		
B.1.1. Strategy: COASTAL/NAT RES MANAGEMENT	$ 5,595,121	$ 5,592,739
Manage and protect coastal and other natural resources by evaluating coastal permit applications and coastal communities' compliance with applicable rules and regulations; coordinating the Texas Adopt-A-Beach Program; and promoting partnerships for the use of natural gas and recycled products.		
Output (Volume):		
Number of Coastal Cleanups Conducted	50	50
B.1.2. Strategy: OIL SPILL RESPONSE	$ 9,534,576	$ 9,560,076
Develop and implement a comprehensive oil spill prevention and response program to monitor the integrity of oil transport through Texas coastal waters and respond quickly and efficiently to oil spills.		
Output (Volume):		
Number of Oil Spill Responses	1,127	1,093
Number of Prevention Activities - Vessels	1,364	1,364
Total, Goal B: PROTECT THE ENVIRONMENT	$ 15,129,697	$ 15,152,815
C. Goal: VETERANS' LAND BOARD		
To provide Texas veterans with self supporting benefit programs that offer low interest loans for land, homes, and home improvements, and provide opportunities for long term care.		
Outcome (Results/Impact):		
Percent of Texas Veterans Reached through Outreach Efforts	19%	20%
C.1.1. Strategy: VETERANS BENEFIT PROGRAMS	$ 14,248,151	$ 14,304,779
Provide veterans with benefit information, low interest lending opportunities, efficient loan services, access to Veterans homes, and manage active loan accounts and bond funds to ensure the financial integrity of the program.		
Output (Volume):		
Number of Active Loan Accounts Maintained	38,500	38,000
Number of Delinquent Accounts Serviced	3,450	3,400
Grand Total, GENERAL LAND OFFICE AND VETERANS' LAND BOARD	$ 42,179,987	$ 42,229,118

Method of Financing:		
General Revenue Fund	$ 12,821,820	$ 12,821,820
General Revenue Fund - Dedicated		
Coastal Protection Account No. 027	9,534,576	9,560,076
Coastal Public Lands Management Fee Account No. 450	172,658	172,658
Subtotal, General Revenue Fund - Dedicated	$ 9,707,234	$ 9,732,734
Federal Funds	2,358,678	2,358,312
Other Funds		
Texas Veterans Homes Administration Fund No. 374	462,661	462,661
Veterans Land Program Administration Fund No. 522	13,785,490	13,842,118
Appropriated Receipts	2,788,131	2,663,000
Interagency Contracts	255,973	348,473
Subtotal, Other Funds	$ 17,292,255	$ 17,316,252
Total, Method of Financing	$ 42,179,987	$ 42,229,118
Number of Full-Time-Equivalent Positions (FTE):	612.0	612.0
Schedule of Exempt Positions:		
Texas Land Commissioner, Group 4	$92,217	$92,217
Supplemental Appropriations Made in Riders:	$ 45,200	$ 0

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

	2002	2003
a. Construction of Buildings and Facilities		
(1) Oil Bilge Reclamation Systems	$ 130,000	$ 130,000
b. Acquisition of Information Resource Technologies		
(1) Electronic Production Reporting	75,000	75,000
(2) Disaster Recovery Project	90,000	95,000
(3) Hardware Rotation Project	227,000	227,000
(4) Aggregated Hardware Project	93,287	78,700
(5) Archives Scanning Project	300,000	300,000
(6) Clustering Project	163,700	0
(7) Teleconferencing	0	40,000
(8) Server Enhancement Project	$ 0	$ 205,000
Total, Acquisition of Information Resource Technologies	$ 948,987	$ 1,020,700
c. Transportation Items		
(1) Oil Spill Response Vehicles	125,000	125,000
(2) Boats	0	37,000
(3) Field Appraisal Vehicles	$ 0	$ 86,237
Total, Transportation Items	$ 125,000	$ 248,237

d. Acquisition of Capital Equipment and Items		
(1) Oil Spill Response Equipment	34,000	0
(2) Reference Material	$ 32,126	$ 32,126
Total, Acquisition of Capital Equipment and Items	$ 66,126	$ 32,126
Total, Capital Budget	$ 1,270,113	$ 1,431,063
Method of Financing (Capital Budget):		
General Revenue Fund	$ 445,440	$ 454,294
GR Dedicated - Coastal Protection Account No. 027	419,042	437,916
Veterans Land Program Administration Fund No. 522	405,631	538,853
Total, Method of Financing	$ 1,270,113	$ 1,431,063

2. **Per Diem: School Land Board and Veterans' Land Board.** Citizen members of the School Land Board and Veterans' Land Board may be paid per diem at a rate not to exceed the amount established elsewhere in this Act and actual expenses from funds appropriated above.

3. **Appropriation Source: Veterans' Land Program.** Included in amounts appropriated above in Strategy C.1.1, Veterans Benefits Programs, is $2,083,852 in fiscal year 2002 and $2,140,750 in fiscal year 2003 from the Veterans Land Program Administration Fund No. 522. In addition to amounts appropriated above, there is hereby appropriated from the Veterans' Land Funds, the Veterans' Housing Assistance Funds and the fund for State Veterans Homes, all amounts necessary to administer the Veterans' Land Program, Veterans' Housing Assistance Program, and the State Veterans Homes, respectively, including the amounts incurred in issuing bonds, in compensating a Housing Program Administrator, and in paying contracts for services rendered in administering the land and housing programs, as created and authorized by Article III, §§ 49b, 49b-1, and 49b-2 of the Texas Constitution, as amended.

4. **Appropriation of Receipts: Land Sales Expenses.** Pursuant to §§ 31.1571, 31.158 and 32.112, Natural Resources Code, there is hereby appropriated to the General Land Office receipts from land sales sufficient to cover the usual and customary costs of conducting real estate transactions as authorized to be retained by the General Land Office and the School Land Board.

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

6. **Appropriation: Defense of Title to Permanent School Fund Land and Prosecution of Mineral Lease Claims or Cases.** Included in amounts appropriated above in Strategy A.1.1, Energy Lease Management, is $1,370,555 in fiscal year 2002 and $1,250,000 in fiscal year 2003 in Appropriated Receipts from funds recovered for the Available School Fund by the General Land Office from the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases. Such funds are to be used for the defense of title to Permanent School Fund lands, and the prosecution of Relinquishment Act, royalty deficiency and other mineral lease claims or cases.

7. **Appropriation: Receipts and Account Balances for Surface Damages.** Included in the amounts appropriated above is $300,000 in fiscal year 2002 and $300,000 in fiscal year 2003

in Strategy A.1.1, Energy Lease Management in receipts collected as surface damages pursuant to §§ 52.297, 53.155, 31.051, 51.291, 51.295 and 51.296, Natural Resources Code. Such funds are appropriated for the purpose of funding conservation or reclamation projects making permanent improvements on Permanent School Fund land, and making grants to a lessee of Permanent School Fund land for these purposes, and for the purpose of purchasing easements for access to Permanent School Fund land, as authorized by § 11.079, Natural Resources Code. In addition to funds appropriated above, additional revenues received from surface damage receipts are hereby appropriated to the General Land Office for the same purposes.

8. **Appropriation: Easement Fees for Use of State-owned Riverbeds.** The General Land Office is hereby appropriated all unencumbered balances on hand as of August 31, 2001, (estimated to be $45,200 in General Revenue) and all amounts collected as easement fees for use of state-owned riverbeds pursuant to § 51.291, Natural Resources Code, or agency rules, during the biennium beginning September 1, 2001, for the removal or improvement of unauthorized structures on Permanent School Fund lands.

9. **Unexpended Balances.** Any unexpended balances as of August 31, 2002 in the appropriations made herein to the General Land Office and Veterans' Land Board are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

10. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Coastal Coordination Council housed within the General Land Office are made contingent on the continuation of the Coastal Coordination Council by the Legislature. In the event that the Coastal Coordination Council is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of the Coastal Coordination Council operations.

11. **Veterans Home Awareness Campaign.** It is the intent of the Legislature that the General Land Office, out of funds appropriated above and pursuant to its authority under Chapter 164 of the Natural Resources Code to provide for, operate, or improve veterans homes, conduct a marketing campaign designed to attract residents to the William R. Courtney Texas State Veterans Home in Temple; the Clyde W. Cosper Texas State Veterans Home in Bonham; the Lamun-Lusk-Sanchez Texas State Veterans Home in Big Spring; and the Frank M. Tejeda Texas State Veterans Home in Floresville.

TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
A. Goal: PRESERVE/PROTECT COASTAL AREAS To preserve and protect Texas beaches and coastal areas from erosion.		
Outcome (Results/Impact): Percent of Eroding Shorelines Maintained, Protected, or Restored for Gulf Beaches and Other Shorelines	15%	20%
A.1.1. Strategy: COASTAL EROSION CONTROL Develop and implement a comprehensive coastal erosion control and beach nourishment program.	$ 15,525,000	$ 15,625,000

TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE
(Continued)

B. Goal: MANAGE STATE LAND		
To purchase land for the Permanent School Fund (PSF).		
B.1.1. Strategy: PURCHASE LAND FOR PSF Give high priority to the purchase of agency land identified as underutilized by the Asset Management Division.	$ 2,300,000	$ 2,300,000
Grand Total, TRUSTEED PROGRAMS WITHIN THE GENERAL LAND OFFICE	$ 17,825,000	$ 17,925,000
Method of Financing:		
General Revenue Fund	$ 6,300,000	$ 6,300,000
GR Dedicated - Coastal Protection Account No. 027	3,600,000	1,200,000
Federal Funds	3,000,000	5,000,000
Appropriated Receipts	4,925,000	5,425,000
Total, Method of Financing	$ 17,825,000	$ 17,925,000

1. **Unexpended Balances.** Included in amounts appropriated above in Strategy A.1.1, Coastal Erosion Control, are unexpended balances as of August 31, 2001, in the appropriations made to the Trusteed Program Within The General Land Office, estimated to be $2,400,000 out of Coastal Protection Account No. 027, to be used for the same purpose for the fiscal year beginning September 1, 2001. Any unexpended balances as of August 31, 2002 in the appropriations made herein to the Trusteed Program for the General Land Office are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

2. **Appropriation: Shared Project Funds.** In addition to the amounts appropriated above as Appropriated Receipts, there is hereby appropriated to The General Land Office all shared project funds received in accordance with Natural Resources Code, Chapter 33, Subchapter H, § 33.603(c)(1) and § 33.604.

3. **Appropriation of Receipts: Real Property Sales.** Included in amounts appropriated above in Strategy B.1.1, Purchase Land for PSF, is $2,300,000 in fiscal year 2002 and $2,300,000 in fiscal year 2003 from receipts of land sales. In addition to amounts appropriated above, pursuant to § 51.401, Natural Resources Code, the Trusteed Program for the Management of State Land in the General Land Office is hereby appropriated all additional receipts from land sales of Permanent School Fund (PSF) property conducted by the General Land Office and all receipts from the lease of PSF land for mineral development including royalties from existing and future active mineral leases of PSF lands that are necessary to purchase fee or lesser interests in replacement real property for the use and benefit of the PSF or for the purpose of purchasing easements for access to PSF land as authorized by § 11.079, Natural Resources Code. Any of these appropriated receipts from the sale of PSF land or lease of PSF minerals which remain unexpended for more than two years are to be transferred into the PSF as required by law. The appropriation of receipts from mineral development of PSF land is contingent on the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3558, or similar legislation relating to the sale, lease, and purchase of interest in real property for the permanent school fund.

NATURAL RESOURCE CONSERVATION COMMISSION*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ASSESSMENT, PERMITTING, PREVENTION To protect public health and the environment by accurately assessing environmental conditions; by preventing or minimizing the level of contaminants released to the environment through regulation and permitting of facilities or activities with potential to contribute to pollution levels; by promoting voluntary efforts to prevent pollution; and by assuring the delivery of safe drinking water to Texas citizens at affordable rates.		
Outcome (Results/Impact):		
Annual Percent of Stationary and Mobile Source Pollution Reductions in Nonattainment Areas	6%	6%
Annual Percent Reduction in Pollution Per Capita from Permitted Wastewater Facilities Discharging to the Waters of the State	.2%	.2%
Percent of Texas Surface Water Meeting or Exceeding Water Quality Standards	84%	84%
Annual Percent Reduction in Disposal of Municipal Solid Waste Per Capita	1.5%	1.5%
Annual Percent Decrease in the Toxic Releases in Texas	.5%	.5%
Percent of Texas Population Served by Public Water Systems Which Meet Drinking Water Standards	97.5%	97.5%
A.1.1. Strategy: AIR QUALITY PERMITTING Perform complete and timely reviews of applications to release pollutants into the air.	$ 12,069,227	$ 11,685,227
Output (Volume):		
Number of State and Federal New Source Review Air Quality Permit Applications Reviewed	5,600	5,600
Number of Federal Air Quality Operating Permits Issued	350	350
A.1.2. Strategy: WATER RESOURCE PERMITTING Perform complete and timely reviews of applications to utilize the state's water resources or to discharge to the state's waterways.	$ 10,259,515	$ 9,953,042
Output (Volume):		
Number of Applications to Address Water Quality Impacts Reviewed	3,393	3,393
Number of Concentrated Animal Feeding Operation (CAFO) Permits Reviewed	60	60
A.1.3. Strategy: WASTE MGT AND PERMITTING Perform complete and timely reviews of applications relating to management and disposal of municipal and industrial solid and hazardous waste.	$ 9,006,502	$ 8,546,502
Output (Volume):		
Number of Nonhazardous Waste Permit Applications Reviewed	13	13
Number of Hazardous Waste Permit Applications Reviewed	162	142
A.1.4. Strategy: AIR QUALITY ASSESSMENT AND PLANNING Reduce and prevent air pollution by monitoring and assessing air quality, developing and revising plans to address identified air quality problems, and assisting in the implementation of approaches to reduce motor vehicle emissions.	$ 36,813,199	$ 30,069,199
Output (Volume):		
Number of Point Source Air Quality Assessments	2,000	2,000
Number of Area Source Air Quality Assessments	2,000	2,000
Number of Mobile Source Air Quality Assessments	1,025	1,000
A.1.5. Strategy: WATER ASSESSMENT AND PLANNING	$ 25,493,308	$ 24,866,580

*See also House Bill 1333.

Develop plans to ensure an adequate, affordable supply of clean water by monitoring and assessing water quality and availability.		
Output (Volume):		
Number of Surface Water Assessments	52	70
Number of Groundwater Assessments	111	112
A.1.6. Strategy: WASTE ASSESSMENT AND PLANNING	$ 13,828,718	$ 13,558,318
Ensure the proper and safe disposal of pollutants by monitoring the generation, treatment and storage of waste and assessing the capacity of waste disposal facilities; and by providing financial and technical assistance to municipal solid waste planning regions for the development and implementation of solid waste reduction plans.		
Output (Volume):		
Number of Municipal Solid Waste Facility Capacity Assessments	232	236
Efficiencies:		
Average Cost Per Municipal Solid Waste Facility Capacity Assessment	115	115
A.1.7. Strategy: POLLUTION PREVENTION & RECYCLING	$ 13,392,956	$ 3,892,956
Promote voluntary pollution prevention and recycling through a combination of technical assistance and public education, and by organizing and promoting voluntary prevention initiatives.		
Output (Volume):		
Number of On-site Technical Assistance Visits	70	70
A.1.8. Strategy: LOW-LEVEL RADIOACTIVE WASTE ASSESS	$ 120,274	$ 120,274
Ensure the proper and safe disposal of low-level radioactive waste.		
A.2.1. Strategy: SAFE DRINKING WATER	$ 8,884,348	$ 8,011,107
Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.		
Output (Volume):		
Number of Public Drinking Water Systems Which Meet Primary Drinking Water Standards	6,500	6,525
Number of Drinking Water Samples Collected	24,300	29,800
A.2.2. Strategy: WATER UTILITIES OVERSIGHT	$ 2,428,012	$ 2,411,912
Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost-based and to promote and ensure adequate customer services.		
Output (Volume):		
Number of Utility Rate Reviews Performed	100	100
Total, Goal A: ASSESSMENT, PERMITTING, PREVENTION	$ 132,296,059	$ 113,115,117

B. Goal: ENFORCEMENT AND COMPLIANCE

To protect public health and the environment by administering enforcement programs that promote voluntary compliance with environmental laws and regulations while providing strict, sure and just enforcement when environmental laws are violated.

Outcome (Results/Impact):		
Percent of Inspected or Investigated Air Sites in Compliance	97%	97%
Percent of Inspected or Investigated Water Sites and Facilities in Compliance	98%	98%
Percent of Inspected or Investigated Waste Sites in Compliance	98%	98%
Percent of Identified Noncompliant Sites and Facilities for Which Appropriate Action Is Taken	85%	85%
B.1.1. Strategy: FIELD INSPECTIONS & COMPLAINTS	$ 37,397,846	$ 36,838,823
Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.		
Output (Volume):		
Number of Inspections and Investigations of Air Sites	17,000	17,000
Number of Inspections and Investigations of Water Rights Sites	34,000	34,000
Number of Inspections and Investigations of Water Sites and Facilities	8,500	8,500
Number of Inspections and Investigations of Livestock and Poultry Operation Sites	700	700
Number of Inspections and Investigations of Waste Sites	8,900	8,900
B.1.2. Strategy: ENFORCEMENT & COMPLIANCE SUPPORT	$ 9,664,534	$ 9,492,513
Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local government; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations.		
Output (Volume):		
Number of Air Programs Administrative Enforcement Orders Issued	210	210
Number of Water Programs Administrative Enforcement Orders Issued	360	360
Number of Waste Programs Administrative Enforcement Orders Issued	230	230
B.1.3. Strategy: OCCUPATIONAL LICENSING	$ 1,529,952	$ 1,529,952
Establish and maintain occupational professional certification programs to ensure compliance with statutes and regulations that protect public health and the environment.		
Output (Volume):		
Number of Examinations Administered	12,245	12,245
Total, Goal B: ENFORCEMENT AND COMPLIANCE	$ 48,592,332	$ 47,861,288

C. Goal: POLLUTION CLEANUP

To protect public health and the environment by identifying, assessing, and prioritizing contaminated sites, and by assuring timely and cost-effective cleanup based on good science and current risk factors.

Outcome (Results/Impact):		
Percent of Leaking Petroleum Storage Tank Sites Cleaned Up	25%	25%
Percent of Superfund Sites Cleaned Up	54.2%	56.7%
Percent of Voluntary and Brownfield Cleanup Properties Made Available for Commercial, Industrial and Community Redevelopment, or Other Economic Reuse	15%	16%

C.1.1. Strategy: STORAGE TANK ADMINISTRATION Regulate the installation and operation of underground storage tanks and administer a program to identify and remediate sites contaminated by leaking storage tanks.	$ 1,519,355	$ 514,355
Output (Volume):		
Number of Petroleum Storage Tank Self-certifications Processed	3,360	3,360
C.1.2. Strategy: STORAGE TANK CLEANUP Provide prompt and appropriate reimbursement to contractors and owners for the cost of remediating sites contaminated by leaking storage tanks.	$ 21,926,430	$ 21,926,430
Output (Volume):		
Number of Petroleum Storage Tank Reimbursement Applications Processed	1,500	1,500
Number of Petroleum Storage Tank Cleanups Completed	300	150
C.1.3. Strategy: HAZARDOUS MATERIALS CLEANUP Aggressively pursue the investigation, design and cleanup of federal and state Superfund sites; and facilitate voluntary cleanup activities at other sites and respond immediately to spills which threaten human health and the environment.	$ 36,601,706	$ 36,601,706
Output (Volume):		
Number of Voluntary and Brownfield Cleanups Completed	100	100
Number of Superfund Evaluations under Way	24	27
Number of Superfund Cleanups under Way	29	26
Number of Superfund Cleanups Completed	9	10
Total, Goal C: POLLUTION CLEANUP	$ 60,047,491	$ 59,042,491
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 18,171,519	$ 18,052,219
D.1.2. Strategy: INFORMATION RESOURCES	$ 14,073,327	$ 13,603,036
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 14,205,856	$ 14,205,857
Total, Goal D: INDIRECT ADMINISTRATION	$ 46,450,702	$ 45,861,112
Grand Total, NATURAL RESOURCE CONSERVATION COMMISSION	$ 287,386,584	$ 265,880,008
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 29,630,114	$ 24,521,873
Earned Federal Funds	3,269,235	3,111,635
Subtotal, General Revenue Fund	$ 32,899,349	$ 27,633,508
General Revenue Fund - Dedicated		
Used Oil Recycling Account No. 146	897,261	897,261
Clean Air Account No. 151	75,396,386	71,558,075
Water Resource Management Account No. 153	24,549,798	24,530,059
Watermaster Administration Account No. 158	825,563	825,090
TNRCC Occupational Licensing Account No. 468	1,063,419	1,063,419
Waste Management Account No. 549	35,534,835	33,161,351
Hazardous and Solid Waste Remediation Fee Account No. 550	31,654,972	31,641,972
Petroleum Storage Tank Remediation Account No. 655	20,732,744	20,732,744

Solid Waste Disposal Account No. 5000	20,586,324	10,986,324
Low Level Waste Account No. 088	120,274	120,274
Subtotal, General Revenue Fund - Dedicated	$ 211,361,576	$ 195,516,569
Federal Funds		
Federal Air Control Board Fund No. 102	4,301,779	4,301,779
Federal Funds	34,166,562	34,370,833
Subtotal, Federal Funds	$ 38,468,341	$ 38,672,612
Other Funds		
Appropriated Receipts	221,856	221,857
Interagency Contracts	4,435,462	3,835,462
Subtotal, Other Funds	$ 4,657,318	$ 4,057,319
Total, Method of Financing	$ 287,386,584	$ 265,880,008
Number of Full-Time-Equivalent Positions (FTE):	2,962.5	2,950.0
Number of FTEs in Riders:	73.0	90.0
Schedule of Exempt Positions:		
Commissioner, Group 5	$107,500	$107,500
Commissioner, Group 5	(2) 105,000	(2) 105,000
Executive Director, Group 5	132,000	132,000
Supplemental Appropriations Made in Riders:	$ 103,914,162	$ 99,551,621

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

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Building Renovations	$ 241,500	$ 260,000
b. Acquisition of Information Resource Technologies		
(1) Growth and Expansion of Information Technology Infrastructure	4,965,000	2,625,000
(2) Replace Personal Computers for the Agency	2,142,623	1,798,987
(3) Senate Bill 1 Water Availability Modeling	1,600,000	1,600,000
(4) Drinking Water Source Contamination Mapping	500,000	0
(5) State of Texas Air Reporting System Data Conversion	500,000	250,000
(6) Office of Waste/Office of Water Resource Management Database Enhancement	750,000	0
(7) Central Registry Information System	1,850,000	1,850,000
(8) Consolidated Compliance and Enforcement Data System Enhancements	$ 1,250,000	$ 810,000
Total, Acquisition of Information Resource Technologies	$ 13,557,623	$ 8,933,987

c. Transportation Items		
(1) Replacement Vehicles for Agency Fleet	$ 519,181	$ 462,181
d. Acquisition of Capital Equipment and Items		
(1) Growth and Maintenance of Air Monitoring Network	2,313,900	1,903,900
(2) Waste Remediation Equipment for Petroleum Storage Tanks	$ 62,000	$ 137,000
Total, Acquisition of Capital Equipment and Items	$ 2,375,900	$ 2,040,900
Total, Capital Budget	$ 16,694,204	$ 11,697,068
Method of Financing (Capital Budget):		
General Revenue Fund		
General Revenue Fund	$ 4,236,150	$ 2,747,150
Earned Federal Funds	186,450	28,850
Subtotal, General Revenue Fund	$ 4,422,600	$ 2,776,000
General Revenue Fund - Dedicated		
Used Oil Recycling Account No. 146	26,569	26,569
Clean Air Account No. 151	6,961,589	5,173,768
Water Resource Management Account No. 153	447,222	430,982
TNRCC Occupational Licensing Account No. 468	46,160	46,160
Waste Management Account No. 549	4,141,565	3,033,090
Hazardous and Solid Waste Remediation Fee Account No. 550	86,499	148,499
Subtotal, General Revenue Fund - Dedicated	$ 11,709,604	$ 8,859,068
Federal Funds	62,000	62,000
Interagency Contracts	500,000	0
Total, Method of Financing	$ 16,694,204	$ 11,697,068

2. **Contingency Cash Flow.** If the Legislative Budget Board and Governor determine after review of relevant information that cash flow difficulties will occur as a result of the appropriations made above, the board and Governor may authorize the Texas Natural Resource Conservation Commission (TNRCC) to temporarily expend general revenue funds for the purpose of meeting the temporary cash flow needs of TNRCC, limited to the amounts appropriated above. The transfer of funds shall be repaid to the General Revenue Fund by the end of the fiscal year in which the funds were transferred under procedures and standards established by the Comptroller of Public Accounts.

3. **Authorization: Aircraft Chartering.** Notwithstanding any other provision of this Act, the Texas Natural Resource Conservation Commission is authorized to spend appropriated funds for the chartering of aircraft for the purposes of monitoring environmental quality, and the enforcement of environmental and water rights laws of the State.

4. **Waste Facility Application Fees.** Amounts appropriated above, out of the Waste Management Account No. 549, include and shall not exceed $75,000 in each fiscal year of the biennium from permit application fees assessed by the agency for industrial solid waste and hazardous waste facilities as authorized by Health and Safety Code § 361.137.

5. **Authorization: Water and Air Program Fee Rates and Revenue Appropriation.** To provide for the recovery of costs of processing applications, the following fee rate is established

pursuant to Subchapter E, Chapter 316, Government Code, to be effective during the biennium covered by this Act.

The maximum rate for the fees authorized under § 5.235(b) and § 5.235(c), Water Code, shall be $2,000.

The maximum rate for fees authorized under § 382.062 of the Health and Safety Code shall be $80,000.

6. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy item A.1.4, Air Quality Assessment and Planning, is $1,400,000 in each year of the biennium for the operation of the vehicle emissions inspection and maintenance program pursuant to Section 382.037, Health and Safety Code and Executive Order GWB96-1. These funds are for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program, including federally required reporting measures to demonstrate compliance with applicable federal and state laws.

   In addition to the amounts appropriated above, to implement mandatory changes in the vehicle emissions inspection and maintenance program, an additional $76,000 in automobile inspections fee revenues is appropriated to the Natural Resource Conservation Commission in fiscal year 2002 and an additional $228,200 is appropriated in fiscal year 2003 out of the Clean Air Account No. 151.

   In addition, if additional counties are brought into the vehicle emissions inspection and maintenance program, 20 percent of revenues generated from the vehicle emissions and inspections fee in the additional counties in each fiscal year 2002 and 2003 are hereby appropriated to the agency for the purpose of developing, administering, evaluating and maintaining the vehicle emissions inspection and maintenance program in the additional counties.

   It is the intent of the Legislature that 20 percent of the fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above, as well as the "Other direct and indirect costs" associated with the program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be $139,350 for fiscal year 2002 and $148,219 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

7. **Local Air Pollution Grants Allocation.** Included in the amounts appropriated above an amount not less than $2,800,000 out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, in each year of the biennium shall be utilized to fund grants or cooperative agreements with eligible local air pollution programs under § 382.0622, Health and Safety Code. It is provided, however, that the combined federal and state share of the funding for any such local air pollution programs shall not exceed 67 percent of the total allocation to the programs, with the local share being based on the local dollars allocated pursuant to maintenance-of-effort requirements for federal air pollution grants.

8. **Fee Revenue: Pollution Control Equipment Exemptions.** Pursuant to § 11.31, Tax Code, included in amounts appropriated above out of the General Revenue Fund in Strategy A.1.7, Pollution Prevention and Recycling, is $133,600 each fiscal year from fee revenue

collected beginning with the effective date of this Act for the purpose of determining whether pollution control equipment is exempt from taxation.

In addition to amounts appropriated above, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Tax Code, § 11.31 on or after September 1, 2001, in excess of $133,600 in each fiscal year of the biennium are hereby appropriated to the agency.

9. **Authorization: Operating Fund.** The Texas Natural Resource Conservation Commission (TNRCC) is hereby authorized to make transfers from any appropriation made to TNRCC into a single account in the General Revenue Fund known as the "Texas Natural Resource Conservation Commission Operating Fund" for the purpose of making expenditures for which appropriations were made in this Act. After the expenditures have been made from the fund and as soon as the proper strategies have been identified, TNRCC shall process adjustments to the Comptroller in summary accounts to facilitate accurate cost allocations; provided, however, that each special account and fund shall be used for the purposes as now described by law and nothing shall be done to jeopardize or divert the special accounts and funds or any portion thereof including federal aid.

10. **Water Resource Fees.** Included in amounts appropriated above out of the Water Resource Management Account No. 153, is $3,488,709 each fiscal year from fees collected pursuant to the provisions of Health and Safety Code, Chapter 341, for the biennium beginning with the effective date of this Act, for the purpose of implementing the provisions of that statute and the Federal Safe Drinking Water Act.

11. **On-site Sewage Disposal System Fees.** Included in amounts appropriated above out of the Water Resource Management Account No. 153, in Strategy A.1.2, Water Resource Permitting, is $739,472 in fiscal year 2002 and $708,322 in fiscal year 2003 from estimated revenues assessed and collected pursuant to Chapter 366, Subchapters D and E, Health and Safety Code, for the purpose of administration of programs for the regulation and management of on-site sewage disposal systems.

    In addition to amounts appropriated above, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Health and Safety Code, Chapter 366, Subchapters D and E on or after September 1, 2001, in excess of $739,472 in fiscal year 2002 and $708,322 in fiscal year 2003 are hereby appropriated to the agency.

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

    Irrigators Advisory Council
    Small Business Compliance Advisory Panel
    Waste Reduction Advisory Committee
    Municipal Solid Waste Management and Resource Recovery Advisory Council

13. **Appropriation: Near Non-Attainment Area Air Quality Planning.** Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.4, Air Quality Assessment and Planning, is $5,075,000 for the biennium for air quality planning activities in areas considered to be near non-attainment for the ozone standard under the federal Clean Air Act Amendments of 1990, which include Austin, Corpus Christi, Longview-Tyler-Marshall, San Antonio, and Victoria. These activities may include identifying, inventorying, and monitoring of current pollution levels; modeling future pollution levels; and the identification and quantification of potential pollution reduction through voluntary controls. The areas receiving funds shall coordinate with the Texas Natural Resource Conservation Commission to ensure that these

activities are consistent with agency monitoring, inventory and modeling approaches and infrastructure.

Any unexpended balances from this appropriation as of August 31, 2002, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

For cash flow purposes, the Natural Resource Conservation Commission may utilize General Revenue Funds in an amount not to exceed $2 million for the 2002–03 biennium, pending repayment through receipts and balances to the Clean Air Account No. 151. The General Revenue amounts shall be utilized to conduct air quality planning activities in areas considered to be near non-attainment for the ozone standard. Any unencumbered balances remaining in the Clean Air Account No. 151 on August 31, 2003, shall be used to repay amounts transferred from the General Revenue Fund. Any transfers or repayments shall be made in accordance with procedures established by the Comptroller.

14. **Appropriations Limited to Revenue Collections: Occupational Licensing.** It is the intent of the Legislature that fees, fines and other miscellaneous revenues deposited to the TNRCC Occupational Licensing Account No. 468 as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for strategy item B.1.3, Occupational Licensing, as well as the "Other direct and indirect costs" associated with this strategy, appropriated elsewhere in this Act. "Other direct and indirect costs" for strategy item B.1.3, Occupational Licensing, are estimated to be $300,020 for fiscal year 2002 and $317,408 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

15. **Bosque River Water Quality Monitoring.** Out of funds appropriated above in Strategy A.1.5, Water Assessment and Planning, the Texas Natural Resource Conservation Commission shall conduct water quality monitoring of the Bosque River.

16. **Contingency Appropriation: Fee Appropriation for Watermaster Offices.** In addition to amounts appropriated above out of the Watermaster Administration Account No. 158 in Strategy A.1.2, Water Resource Permitting, there is hereby appropriated all revenue collected by the Texas Natural Resource Conservation Commission (TNRCC) from additional fees generated pursuant to § 11.329 of the Water Code due to the implementation of increased fee rates at the Rio Grande and South Texas watermaster offices, and due to new watermaster offices created on or after September 1, 2001, by petition of the affected water rights holders (estimated to be $92,725 each year of the biennium).

    Any unexpended balances from this appropriation as of August 31, 2002, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

17. **Contract with the State Office of Administrative Hearings.** Included in the amounts appropriated above is $938,860 in fiscal year 2002 and $938,860 in fiscal year 2003 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Natural Resources Division for the purpose of conducting administrative hearings and for related expenses. The Texas Natural Resource Conservation Commission (TNRCC) and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to TNRCC. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the Natural Resources Division, the State Office of Administrative Hearings may enter into negotiations with TNRCC in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The

State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor, together with written permission of the agency.

18. **Recovered Costs and Responsible Party Payments.** In addition to the amounts appropriated elsewhere in this Act and in Strategy C.1.3, Hazardous Materials Cleanup, the Texas Natural Resource Conservation Commission is hereby appropriated for the biennium, beginning with the effective date of this Act, all payments from judgements, settlements and responsible party payments deposited to the credit of Hazardous and Solid Waste Remediation Account No. 550 for the fiscal year ending August 31, 2001, (estimated to be $100,000) and all similar revenues collected during the 2002–03 biennium. The funds shall only be used for investigation, assessment, remediation operation or maintenance performed at the contaminated site for which such funds have been contributed to the Account.

    Any payments received from a site that requires no further remediation may be spent on any hazardous waste remediation activity in Strategy C.1.3, Hazardous Materials Cleanup.

19. **Agency Coordination.** The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall provide to the appropriate Legislative Committees a report on their progress by January 1 of each fiscal year.

20. **Environmental Hotline.** Out of amounts appropriated above in Strategy A.1.4, Air Quality Assessment and Planning, the Texas Natural Resource Conservation Commission shall maintain a state toll-free telephone line to receive reports concerning violations or suspected violations of environmental laws, in conjunction with the Smoking Vehicle Hotline.

21. **Costs Recovered for Petroleum Storage Tank Remediation.** In addition to the amounts appropriated elsewhere in this Act and in Strategy C.1.2, Storage Tank Cleanup, the Texas Natural Resource Conservation Commission is hereby appropriated for the biennium beginning with the effective date of this Act all payments received from responsible parties as reimbursements and deposited to the Petroleum Storage Tank Remediation Account No. 655 for the costs of investigation, remediation, operation, or maintenance of leaking petroleum storage tank sites (estimated to be $100,000 in each fiscal year of the biennium).

22. **Certification of Section 404 Permits.** Except for the review of a federal permit or license by the state that is required in order to maintain delegation of a federal program or to comply with a requirement of federal law, none of the funds appropriated above may be expended by the Commission for the purpose of certification of a federal permit issued by the U.S. Army Corps of Engineers under § 404 of the Clean Water Act.

23. **Texas Parks and Wildlife Environmental Special Investigations Unit.** Included in amounts appropriated above in Strategy B.1.2, Enforcement and Compliance Support, is $250,000 out of Waste Management Account No. 549 for each fiscal year of the biennium for the purpose of supporting the Texas Parks and Wildlife Department's Environmental Special Investigations Unit to enforce state and federal laws on illegal dumping. This appropriation is contingent on a memorandum of understanding and an interagency transfer of the funds between the Texas Parks and Wildlife Department and the Texas Natural Resource Conservation Commission to jointly administer the program. Any unexpended balance of this appropriation from fiscal year 2002 is appropriated for the same purpose for fiscal year 2003.

24. **Air Pollution/Haze Study.** Out of amounts appropriated above, the Texas Natural Resource Conservation Commission shall conduct a study of the air pollution/haze problem along the Texas/Mexico border, with particular emphasis on the air pollution/haze in Big Bend National Park. The study should include the causes of pollution/haze, the effects of such pollution/haze, as well as any potential short-term and long-term remedies. The study should be concluded and the commission shall begin implementation of the study prior to January 1, 2003.

25. **Appropriation Irrigator Fees.** Included in amounts appropriated above out of the Occupational Licensing Account No. 468 in Strategy B.1.3, Occupational Licensing, is $120,300 in each fiscal year of the biennium from estimated revenues assessed and collected pursuant to Water Code, Chapter 34, for the purpose of the licensing and regulating irrigators. In addition to amounts appropriated above, any amounts collected by the Texas Natural Resource Conservation Commission pursuant to Water Code, Chapter 34, on or after September 1, 2001, in excess of $120,300 each fiscal year (estimated to be $100,000 each fiscal year) are hereby appropriated to the agency for the same purposes.

26. **Appropriations Limited to Available Balances and Revenue Collections.** Amounts appropriated herein out of the Clean Air Account No. 151 to the Texas Natural Resource Conservation Commission shall consist of unencumbered and unobligated balances in the Account as of August 31, 2001, and fee revenue collected on or after September 1, 2001.

27. **Agency to Pursue Federal Funding for the Rio Grande Water Availability Modeling Project.** It is the intent of the Legislature that the Natural Resource Conservation Commission pursue every available source of federal funding to support the Rio Grande Water Availability Modeling Project in fiscal years 2002 and 2003. In the event that the agency receives federal funding for the Rio Grande Water Availability Project, then the amount of General Revenue to be expended on the project (estimated to be $1,600,000 in each fiscal year of the biennium) shall be reduced by the amount of federal funds received for the project. An amount of General Revenue equal to the amount of federal funds received for the Rio Grande Water Availability Project shall be expended to develop and implement Total Maximum Daily Loads (TMDLs).

28. **Federal Funds and Capital Budget Expenditures.** To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements required for the receipt and expenditure of federal funds, the Texas Natural Resource Conservation Commission (TNRCC) is hereby exempted from the Capital Budget Rider Provisions contained in Article IX of ths Act, “Limitations on Expenditures - Capital Budget”, when federal funds are received in excess of amounts identified in the agency’s Capital Budget Rider and such funds are federally designated solely for the purchase of specific capital items. TNRCC shall notify the Legislative Budget Board and the Governor upon receipt of such federal funds, of the amount received and items to be purchased.

29. **Waste Tire Recycling.** It is the intent of the Legislature that the Natural Resource Conservation Commission communicate and work with electric utilities and other industries located in Bexar, Cameron, Comal, El Paso, and Hidalgo Counties to encourage the use of tire-derived fuel.

30. **Appropriation: Operating Permit Fees.** In calculating the amount of the fee to be collected under § 382.0621, Health and Safety Code, the commission shall include upset and maintenance emissions in the total emissions for each source.

    In addition to amounts appropriated above, there is hereby appropriated to the commission all fee revenue collected from upset and maintenance emissions (estimated to be $1.1 million in each fiscal year of the biennium). These funds shall be used for enforcement and monitoring activities in Strategy A.1.1, Air Quality Permitting; Strategy A.1.4, Air Quality Assessment and Planning; and Strategy B.1.2, Enforcement and Compliance Support.

31. **Leon Watershed and North Bosque Watershed Monitoring:** Out of funds appropriated above, the Commission shall produce and report a list of the physical locations and numbers of cattle for all state-permitted milk-producing Concentrated Animal Feeding Operations (CAFOs) in the Leon River Watershed and the North Bosque Watershed, as well as a map showing their locations on the watershed with respect to the river and its tributary creeks. The Commission also shall produce and report a list of all pending applications for CAFO permits in the Leon River Watershed and the North Bosque Watershed. The Commission also shall, out of funds appropriated above, activate water quality monitoring sites in the Leon River Watershed and the North Bosque Watershed, collect samples above those sites on a quarterly basis, and report the results of that monitoring on a quarterly basis. Samples collected from Leon River Watershed and North Bosque Watershed's water quality monitoring sites shall be analyzed, at a minimum, for Nitrogen-Nitrite + Nitrate, Orthophosphate-Phosphorous, Dissolved Oxygen, Chloride, Sulfate, Sodium, Potassium, Magnesium, Calcium, total suspended solids, E. Coli, temperature, conductivity, pH, total phosphorous, and total dissolved solids. The Commission shall report all required information to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, each member of the House Committee on Appropriations, each member of the Senate Committee on Finance, each member of the House Committee on Natural Resources and each member of the Senate Committee on Natural Resources.

32. **Appropriation: Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act.** Included in amounts appropriated above in Strategy A.1.4, Air Assessment and Planning, is $4,000,000 in fiscal year 2002 for research to obtain the data and information to refine and enhance any model used to demonstrate attainment with the National Ambient Air Quality Standard (NAAQS) for ozone under the Federal Clean Air Act. These funds may also be used to collect data and for modeling to demonstrate attainment with the National Ambient Air Quality Standard for Ozone. The Natural Resource Conservation Commission may contract as necessary to carry out these activities.

    Any unexpended balances remaining in this appropriation on August 31, 2002 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

33. **Grants for Removal of Solid Waste.** Included in the amounts appropriated above in Strategy A.1.6, Waste Assessment and Planning, is $100,000 out of the Solid Waste Disposal Account No. 5000 in fiscal year 2002 for the purpose of awarding grants to local governments for the removal of solid waste.

    Any unexpended balance remaining in this appropriation as of August 31, 2002, is hereby appropriated to the agency for the same purposes in the fiscal year beginning September 1, 2002.

34. **Waste Tires.** Out of amounts appropriated above, the Texas Natural Resource Conservation Commission shall enforce statutory requirements relating to waste, scrap, or used tires. It is the intent of the Legislature that all reasonable steps be taken to minimize the illegal storage, transport, or disposal of waste or scrap tires. The commission shall audit or otherwise monitor businesses that sell, transport, or store such tires and identify illegal or improper activities as well as study methods for achieving a greater level of compliance for tire disposal within the State of Texas. The commission also shall seek opportunities for coordination with other agencies, such as the Comptroller of Public Accounts, through interagency agreements or contracts. Cooperating agencies would use routine contracts with taxpayers during audits or other activity to obtain copies of tire manifests or other information relating to tire transport or storage in accordance with Health and Safety Code, § 361.112. Such agreements should provide that the cooperating agency transmit such records to the commission for review and analysis and should be designed to have minimal costs for the cooperating agency. The commission shall submit a report not later than December 1, 2002, to the Legislative Budget Board and the Governor detailing their efforts and findings in accordance with this provision.

35. **Waste Tire Disposal Grants.** Included in the amounts appropriated above in Strategy A.1.7, Pollution Prevention and Recycling, is $7,500,000 in fiscal year 2002 out of the Solid Waste Disposal Account No. 5000 to be used to make grants for the disposal of waste tires and scrap tire. In selecting grant recipients, the Natural Resource Conservation Commission shall give preference to proposals that involve recycling the material and result in local job creation. In addition, grant recipients shall agree that any environmental threat of fire associated with waste tires and scrap tires will be eliminated within one year of the effective date of such grants.

    Any unexpended balance remaining in this appropriation on August 31, 2002, is hereby appropriated to the Natural Resource Conservation Commission for the same purposes for the fiscal year beginning September 1, 2002.

36. **Grants for Tire-derived Fuels.** Included in the amounts appropriated above to the Natural Resource Conservation Commission in Strategy A.1.7, Pollution Prevention and Recycling, is $2,000,000 in fiscal year 2002 out of the Solid Waste Disposal Account No. 5000 for the purpose of awarding grants to support the use of tire-derived fuel. These grants are to be used to implement the settlement of lawsuits related to the State Implementation Plans (SIPs) for air quality.

    Any unexpended balance remaining in this appropriation as of August 31, 2002, is hereby appropriated to the agency for the same purposes in the fiscal year beginning September 1, 2001.

37. **Disposition of Former Low-level Radioactive Waste Site.** Not later than September 1, 2002, the Natural Resource Conservation Commission and the General Land Office shall transfer to the Board of Regents of the Texas State University System for use by Sul Ross State University the real property described by § 402.0921, Health and Safety Code, as that section existed immediately before August 31, 2001.

    The Commission shall transfer the property by an appropriate instrument of transfer that requires Sul Ross State University to use the property in a manner that primarily promotes a governmental and educational purpose. The instrument of transfer also shall require that upon a decision by the Board of Regents of the Texas State University System to dispose of such property, the property shall revert to the General Land Office, and that all proceeds from the sale of such property shall be deposited to the credit of the General Revenue Fund.

38. **Appropriation: Targeted Salary Increase.** Notwithstanding other appropriations made by this Act relating to salary increases, in addition to amounts appropriated above to the Natural Resource Conservation Commission, there is hereby appropriated $650,000 in fiscal year 2002 and $1,300,000 in fiscal year 2003 out of the General Revenue Fund for the purpose of making salary increases for select job classes.

    The Natural Resource Conservation Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

39. **Contingency Appropriation: House Bill 2912.** Contingent upon passage of House Bill 2912, or similar legislation relating to the continuation and functions of the Natural Resource Conservation Commission, the following changes shall be made to the appropriations to the Natural Resource Conservation Commission for the 2002–03 biennium:

    Petroleum Storage Tank Remediation. Contingent upon the enactment of legislation providing for the reinstatement and extension of the petroleum product delivery fee and in addition to amounts appropriated above, the Natural Resource Conservation Commission is hereby appropriated revenues deposited to the Petroleum Storage Tank Reimbursement Account No. 655 on or after September 1, 2001 in an amount not to exceed $88,654,673 in fiscal

year 2002 and $71,382,311 in fiscal year 2003 for Petroleum Storage Remediation activities. These amounts are appropriated to Strategy C.1. 2, Storage Tank Cleanup.

The following incremental and cumulative changes to key measure targets reflect funding levels contingent upon enactment of House Bill 2912 or similar legislation providing for the reinstatement and extension of the petroleum product delivery fee:

	2002	2003
Percent of Leaking Petroleum Storage Tank Sites Cleaned Up (cumulative)	80%	85%
Number of Petroleum Storage Tank Self-certifications Processed (incremental)	11,140	11,140
Number of Petroleum Storage Tank Cleanups Completed (incremental)	720	1,890

Petroleum Storage Tank Remediation Fund Restrictions. Out of funds appropriated above in Strategy C.1.1, Storage Tank Administration, not more than $1,005,000 in fiscal year 2002 may be allocated from the Waste Management Account No. 549, out of funds transferred from the Petroleum Storage Tank Remediation (PSTR) Account No. 655, in accordance with Water Code § 26.3573(d)-(e). Furthermore, the Texas Natural Resource Conservation Commission shall not transfer funds from the PSTR Account from Strategy C.1.2, Storage Tank Cleanup to any other strategy.

In addition, contingent upon the enactment of legislation providing for the reinstatement and extension of the petroleum product delivery fee and in addition to amounts appropriated above, the Natural Resource Conservation Commission is hereby appropriated revenues transferred and deposited to the Waste Management Account No. 549 from the Petroleum Storage Tank Remediation Account No. 655, in accordance with Water Code § 26.3573 (d)-(e) in an amount not to exceed $8,288,994 in fiscal year 2002 and $11,396,115 in fiscal year 2003. These amounts are hereby appropriated to Strategy C.1.1, Storage Tank Administration. Additionally, contingent upon the enactment of legislation providing for the reinstatement and extension of the petroleum product delivery fee, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by 69 in fiscal year 2002 and by 86 in fiscal year 2003 for storage tank administration activities in Strategy C.1.1, Storage Tank Administration.

For the purposes of implementing activities supported in Strategy C.1.1, Storage Tank Administration, the agency is exempt from provisions in Article IX, § 6.14 (c) (4) relating to the inclusion of temporary or contract workers in the calculation of the number of FTEs employed by a state agency.

Reallocation of Revenue and Balances for Certain Accounts. Contingent upon the passage of legislation relating to funding flexibility for the Texas Natural Resources Conservation Commission by the Seventy-seventh Legislature and notwithstanding provisions relating to Appropriation Transfers within in the General Appropriations Act, the agency is hereby authorized to reallocate not more than seven percent of the All Funds amount identified in the Method of Finance above from the following accounts (consisting of revenues and balances) to be used for purposes identified in the above strategies.

Clean Air Account Fund Account No. 151
Water Resource Management Account No. 153
Waste Management Account No. 549
Solid Waste Disposal Fee Account No. 5000
Hazardous and Solid Waste Remediation Fee Account No. 550
Used Oil Recycling No. 146
Occupational Licensing No. 468
Watermasters Administration No. 158

The Commission shall notify the Governor and the Legislative Budget Board of any decision to reallocate funds between accounts prior to any such reallocations.

Sludge Land Application Permitting Program. Contingent upon legislation requiring persons to obtain permits from the Natural Resource Conservation Commission for the land application of sludge, the Commission is hereby appropriated sludge permit fee revenues not to exceed $122,770 in fiscal year 2002 and $96,270 in fiscal year 2003 out of the Waste Management Account No. 549.

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in each fiscal year of the biennium.

Pollution of Aquifers Study. It is the intent of the Legislature that the Texas Natural Resource Conservation Commission, pursuant to its authority under Chapter 26 of the Water Code, study the problems caused by petroleum storage tanks located above aquifer recharge zones, with particular emphasis on the spillage of benzene, toluene, and MBTE into the Trinity aquifer. It is the intent of the Legislature that the study:

a. include the causes of pollution by petroleum storage tank system, the health and safety effects of inadequate containment systems, and short-term and long-term solutions and remedies;
b. should be concluded by not later than January 1, 2002, with a written report on the study made available to all members of the Legislature by that date; and
c. cost not more than $100,000 and be funded out of other amounts appropriated to the commission by this Act.

* 40. **Contingency Appropriation: Senate Bill 1541.** Contingent upon passage of Senate Bill 1541, or similar legislation relating to the permanent management of low-level radioactive waste, by the Seventy-seventh Legislature, Regular Session, the Natural Resource Conservation Commission is hereby appropriated any fee revenues generated to the Low-level Radioactive Waste Account No. 88 as a result of the bill's enactment (estimated to be $1,245,000 for the 2002–03 biennium). This appropriation shall be used to implement the provisions of the bill.

** 41. **Contingency Appropriation: Senate Bill 2134.** Contingent upon passage of House Bill 2134 by the Seventy-seventh Legislature, Regular Session, or similar legislation establishing a Low-Income Vehicle Repair Assistance, Retrofit and Accelerated Vehicle Retirement Grant program, the Natural Resource Conservation Commission is hereby appropriated fee revenues not to exceed $186,365 in fiscal year 2002 and $162,365 in fiscal year 2003 out of the Clean Air Account No. 151 for administrative costs for the program established by the bill. In addition, the Natural Resource Conservation Commission is hereby appropriated fee revenues not to exceed $3,197,635 in fiscal year 2002 and $13,593,635 in fiscal year 2003 out of the Clean Air Account No. 151 to be used to provide funding to counties for low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs according to the provisions of the bill. This appropriation is contingent upon the agency generating sufficient new fee revenues as a result of the bill's enactment.

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure above is hereby increased by three in each fiscal year of the biennium.

42. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Natural Resource Conservation Commission are made contingent on the continuation of the Natural Resource Conservation Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

*Senate Bill 1541 did not pass.
**Should read "House Bill 2134."

PARKS AND WILDLIFE DEPARTMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: OUTDOOR RECREATION		
To strengthen traditional services for core constituents such as hunters, anglers, park visitors, and other outdoor enthusiasts by improving habitat and access to outdoor areas, and maintaining quality and safety.		
Outcome (Results/Impact):		
Percent of Maintenance Needs Met	100%	100%
Percent of Repair Needs Met	50%	55%
A.1.1. Strategy: PUBLIC HUNTING AND FISHING	$ 22,723,758	$ 22,823,759
Provide public hunting and public fishing opportunities by acquiring, improving, and providing access to public fisheries, wildlife and their habitat.		
Output (Volume):		
Number of Fingerlings Stocked (in Millions)	44	44
Acres of Public Hunting Lands Provided	1,434,000	1,434,000
A.2.1. Strategy: OPERATE STATE PARKS	$ 49,509,323	$ 49,509,323
Plan for proper use and operate existing state parks and wildlife management areas safely and cost effectively.		
Output (Volume):		
Number of State Parks in Operation	120	119
A.2.2. Strategy: CAPITAL PROGRAMS	$ 16,319,300	$ 53,385,610
Implement capital improvement, major repair, and cultural and natural resource management programs for existing facilities; and acquire identified priority natural, cultural, and recreational resources and develop according to a site management plan.		
Output (Volume):		
Number of Repair/Conservation Projects Completed	450	510
Total, Goal A: OUTDOOR RECREATION	$ 88,552,381	$ 125,718,692
B. Goal: REACH NEW CONSTITUENCIES		
To broaden efforts to reach new constituencies through natural and cultural resource education, outreach programs, and by increasing recreational opportunities.		
Outcome (Results/Impact):		
Annual Percent Change in Opportunities Provided for Youth, Minorities, and the Physically Challenged	5%	5%
B.1.1. Strategy: PUBLIC AWARENESS AND OUTREACH	$ 12,550,742	$ 12,752,741
Design and implement outreach programs which effectively communicate the agency's natural and cultural resource conservation messages while expanding fishing, hunting, and wildlife viewing opportunities for targeted user groups.		
Output (Volume):		
Number of Students Trained in Hunter Education	39,000	40,000
Number of Students Trained in Boater Education	10,000	11,000
B.1.2. Strategy: LOCAL PARKS	$ 25,469,851	$ 24,469,852
Provide grants and technical assistance to strengthen the ability of local governments to provide indoor and outdoor recreation opportunities.		

Output (Volume):		
Number of Grant Assisted Projects Completed	65	65
Total, Goal B: REACH NEW CONSTITUENCIES	$ 38,020,593	$ 37,222,593
C. Goal: RESOURCE PROTECTION		
To protect fish and wildlife resources and their habitat and manage the natural and cultural heritage of Texas.		
Outcome (Results/Impact):		
Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully	92%	92%
Percent of Private Land Acreage in Texas Managed to Enhance Wildlife	7.7%	7.8%
C.1.1. Strategy: LAW ENFORCEMENT	$ 35,402,366	$ 35,402,366
Supervise the users of natural resources in Texas and ensure public safety on state waterways.		
Output (Volume):		
Miles Patrolled in Vehicles (in Millions)	11.3	11.4
Hours Patrolled in Boats	125,000	125,000
Number of Criminal Environmental Investigations under Way	30	35
C.2.1. Strategy: MANAGE FISH AND WILDLIFE	$ 27,444,347	$ 27,444,347
Conserve and manage Texas fish, wildlife, and plant resources.		
Output (Volume):		
Number of Pollution and Fish Kill Complaints Investigated	315	325
Number of Active Management Agreements with Landowners	2,800	2,900
Number of Commercial Fishing Licenses Purchased	271	224
Total, Goal C: RESOURCE PROTECTION	$ 62,846,713	$ 62,846,713
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 7,505,882	$ 7,505,882
D.1.2. Strategy: INFORMATION RESOURCES	$ 5,780,397	$ 5,780,397
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 2,466,077	$ 2,466,077
Total, Goal D: INDIRECT ADMINISTRATION	$ 15,752,356	$ 15,752,356
Grand Total, PARKS AND WILDLIFE DEPARTMENT	$ 205,172,043	$ 241,540,354
Method of Financing:		
General Revenue Fund	$ 13,143,860	$ 11,980,710
Sporting Goods Tax - State Parks	15,500,000	15,500,000
Sporting Goods Tax - Local Parks	15,500,000	15,500,000
Capital Account, Fund No. 403	1,000,000	1,000,000
Unclaimed Refunds of Motorboat Fuel Tax	14,340,000	14,340,000
Boat and Boat Motor Sales and Use Tax	5,000,000	5,600,000
Subtotal, General Revenue Fund	$ 64,483,860	$ 63,920,710
General Revenue Fund - Dedicated		
Game, Fish and Water Safety Account No. 009	76,450,903	76,752,903
State Parks Account No. 064	20,002,258	20,002,257
Texas Local Parks, Recreation and Open Space Account No. 467	4,947,165	4,947,166
Non-Game and Endangered Species Conservation Account No. 506	35,927	35,928
Artificial Reef Account No. 679	100,000	100,000
Texas Parks and Wildlife Capital Account No. 5004	241,688	241,688
Shrimp License Buy Back Account No. 5023	192,000	192,000
Subtotal, General Revenue Fund - Dedicated	$ 101,969,941	$ 102,271,942

Federal Funds	31,748,846	31,698,306
Other Funds		
Appropriated Receipts	6,369,396	6,369,396
Interagency Contracts	250,000	250,000
Bond Proceeds - General Obligation Bonds	0	36,680,000
Bond Proceeds - Revenue Bonds	350,000	350,000
Subtotal, Other Funds	$ 6,969,396	$ 43,649,396
Total, Method of Financing	$ 205,172,043	$ 241,540,354
Number of Full-Time-Equivalent Positions (FTE):	3,035.5	3,035.5
Schedule of Exempt Positions:		
Executive Director, Group 5	$115,000	$115,000
Per Diem of Commission Members	5,400	5,400
Supplemental Appropriations Made in Riders:	$ 21,020,875	$ 6,022,203

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

	2002	2003
a. Acquisition of Land and Other Real Property		
(1) Habitat Acquisition	$ 1,800,000	$ 1,800,000
b. Construction of Buildings and Facilities		
(1) Construction and Major Repairs	$ 11,964,314	$ 49,030,624
c. Acquisition of Information Resource Technologies		
(1) Mainframe upgrades, microcomputers, and other equipment	$ 1,681,395	$ 1,681,395
d. Transportation Items		
(1) Purchase of Vehicles	$ 4,251,979	$ 4,251,979
e. Acquisition of Capital Equipment and Items		
(1) Office, field, marine and lab equipment	$ 1,461,300	$ 1,461,300
Total, Capital Budget	$ 21,158,988	$ 58,225,298
Method of Financing (Capital Budget):		
General Revenue Fund	$ 7,343,378	$ 7,780,228
General Revenue Fund - Dedicated		
Game, Fish and Water Safety Account No. 009	9,310,061	9,310,061
State Parks Account No. 064	388,529	388,529
Artificial Reef Account No. 679	100,000	100,000
Texas Parks and Wildlife Capital Account No. 5004	473,000	473,000
Subtotal, General Revenue Fund - Dedicated	$ 10,271,590	$ 10,271,590

Federal Funds	3,544,020	3,493,480
Bond Proceeds - General Obligation Bonds	0	36,680,000
Total, Method of Financing	$ 21,158,988	$ 58,225,298

2. **Appropriation: Texas Park Development Bonds Interest and Sinking Receipts.** There are hereby appropriated all Texas Park Development Bonds Interest and Sinking Receipts pursuant to and for the purposes as set out by the provisions of Section 49-e, Article III, Texas Constitution and Parks and Wildlife Code, Chapter 21.

3. **Appropriation: Escrow Accounts.** In addition to amounts appropriated above in Strategy A.1.1, Public Hunting and Fishing, Strategy A.2.2, Capital Programs, and Strategy C.2.1, Manage Fish and Wildlife, any unexpended balances as of August 31, 2001, and any revenue received during this biennium (estimated to be $900,000 each fiscal year in Game, Fish, and Water Safety, Account No. 9, and $50,000 each fiscal year in Lifetime License Endowment, Account No. 54), consisting of either principal or interest, from trust or escrow accounts set up to benefit the Parks and Wildlife Department are hereby appropriated.

4. **Authorization: Purchase of Evidence.** From the amounts appropriated above, the Parks and Wildlife Department is hereby authorized to establish a cash fund, for the purchase of evidence and/or information and surveillance deemed necessary by the department for enforcement of laws under the Parks and Wildlife Code.

5. **Authorization: Acceptance of Payment with Goods and Services.** The Parks and Wildlife Department is hereby authorized to accept goods and/or services in lieu of cash for sales of products or rights on the department's public land areas. These goods and services may be on the same public land area as the product or right sold or any other public land area. In order to procure the goods and services in the amounts needed that equal the value of products or rights sold, an escrow bank account may be utilized.

6. **Commissioned Peace Officer Compensation.** The Executive Director of the Parks and Wildlife Department may not provide for the compensation of a state-commissioned peace officer at a rate less than the rate paid by any other state agency to a state-commissioned peace officer performing similar duties.

7. **Outreach Programs.** Out of amounts appropriated above in Strategy B.1.2, Local Parks, the Parks and Wildlife Department shall continue partnership projects by contracting a total of $1,250,000 each fiscal year of the 2002–03 biennium in partnership programs for underserved populations.

8. **Appropriation: Unexpended Balance for Construction Projects.** The Department is hereby appropriated for each fiscal year of the biennium beginning with the effective date of this Act, any unexpended balances from appropriations previously made for construction, repair, acquisition, and renovation projects in House Bill No. 1, Acts of the Seventy-fifth Legislature, Regular Session and House Bill No. 1, Acts of the Seventy-sixth Legislature, Regular Session for the purposes that these appropriations were originally made (estimated to be $14,879,671). Any unexpended balances remaining in such appropriation items at August 31, 2002, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002. Any appropriation made in this Act to the Parks and Wildlife Department for construction and improvement projects shall include labor and all necessary costs involved in the project. It is provided, however, that the Parks and Wildlife Department shall have information available at the close of each fiscal year showing the progress and costs involved in the expenditure of such appropriation items.

9. **Construction and Land Owner Incentive Grants.** Funds appropriated for local parks that are utilized for grants awarded for local park construction projects in excess of $25,000 and landowner incentive grants shall be treated as construction appropriations for the purpose of determining the life of the appropriation under the provisions of § 403.071, Government Code. It is provided, however, that the Texas Parks and Wildlife Department shall provide the Governor and the Legislative Budget Board a status report at the close of each fiscal year showing the progress and costs for any grant for local park construction projects and landowner incentive grants not completed within two years of the date the grant was awarded.

10. **State Parks, Community Concerns, and Inmate Labor.** The Parks and Wildlife Department is directed to give priority to community concerns regarding state parks, and may use inmates from the Texas Department of Criminal Justice to provide labor for park development and repair, and to provide labor for cleanup at beaches within state parks.

11. **Fund Transfer Authority.** The Parks and Wildlife Department is hereby authorized to transfer funds between any funds/accounts authorized by the Parks and Wildlife Code in order to alleviate cash flow problems during the biennium. All funds transferred must be returned to the original fund/account before the end of the biennium.

12. **Clothing Provision.** It is the intent of the Legislature that no funds may be expended to provide a clothing or cleaning allowance to any non-uniformed personnel. The Department may continue to expend funds for a cleaning allowance not to exceed $500 per year.

13. **Lease Payments.** Included in amounts appropriated above in Strategy A.2.2, Capital Programs, are lease payments of $5,134,688 in fiscal year 2002 and $5,571,538 in fiscal year 2003 out of the General Revenue Fund which shall be transferred to the Texas Public Finance Authority for debt service payments on revenue bonds or other revenue obligations as authorized by § 13.0045, Parks and Wildlife Code.

14. **Appropriation: State-owned Housing Authorized.** Employees designated by the department at each state park, wildlife management area and hatchery are authorized to live in state-owned housing at a rate determined by the department. Other department employees may live in state-owned housing as set forth in Article IX, § 9.09, State Owned Housing – Recover Housing Costs. It is provided, however, that the Parks and Wildlife Department shall report biennally to the Legislative Budget Board and the Governor, the race, gender, and ethnicity, position title and classification, and salary of employees that reside in state-owned housing.

    In addition to amounts appropriated above in Strategy A.1.1, Public Hunting and Fishing, and Strategy A.2.1, Operate State Parks, rental income collected from employee housing (estimated to be $209,000 in Appropriated Receipts each fiscal year) is hereby appropriated for maintenance of employee housing.

15. **Indoor Recreation Facilities.** Included in the amounts appropriated above in Strategy B.1.2, Local Parks, is $2,000,000 which consists of interest earnings accrued as of August 31, 2001, and earned through the biennium ending August 31, 2003, in the Texas Parks and Recreation and Parks Account No. 467. This amount shall be used to fund local grants for the development of indoor recreation facilities. Any unexpended balance of such appropriations on August 31, 2002, is appropriated for the same purpose for the fiscal year beginning September 1, 2002.

16. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Parks and Wildlife Department are made contingent on the continuation of the Parks and Wildlife Department by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

17. **Boat and Boat Motor Sales and Use Tax.** Amounts appropriated above to the Parks and Wildlife Department include $10,600,000 for the biennium out of Boat and Boat Motor Sales and Use Tax receipts in the General Revenue Fund. This amount is in addition to General Revenue appropriations from the Sporting Goods Sales Tax receipts which totals $64,000,000 for the biennium. Total funding from these two sources is $74,600,000 for the biennium.

18. **Appropriation: License Plate Receipts.** In addition to amounts appropriated above in Strategy A.2.1, Operate State Parks, and Strategy C.2.1, Manage Fish and Wildlife, there is hereby appropriated to the Parks and Wildlife Department all balances collected prior to the effective date of this Act (estimated to be $87,000 in Big Bend National Park, Account No. 5030 and $32,000 in Waterfowl and Wetland Conservation License Plates, Account No. 5057) and revenue collected on or after September 1, 2001 (estimated to be $104,000 in Big Bend National Park, Account No. 5030 and $64,000 in Waterfowl and Wetland Conservation License Plates, Account No. 5057 for the biennium) from the sale of license plates as provided by the Texas Department of Transportation Code §§ 502.295 and 502.303.

    Any unexpended balances as of August 31, 2002, out of the appropriations made herein are appropriated to the Parks and Wildlife Department for the fiscal year beginning September 1, 2002.

19. **Limitation on Out-of-State Travel.** None of the funds appropriated above to the Parks and Wildlife Department may be expended for travel outside the state of Texas if such expenditures cause total out-of-state travel expenditures during each fiscal year to exceed an amount equal to 75 percent of out-of-state travel expenditures for the fiscal year ending August 31, 2000.

20. **Radio Systems**. The Parks and Wildlife Department is required to report on functional radio system interoperability with the Department of Public Safety by department law enforcement district by January 15, 2002. If interoperability has not been achieved for 50 percent of the radio system by that date, then appropriations to Strategy D.1.1, Central Administration, from Game, Fish and Water Safety Account No. 9 shall be reduced by $250,000 in fiscal year 2002 and in fiscal year 2003. If interoperability has not been achieved for 85 percent of the radio system by January 15, 2003, appropriations to Strategy D.1.1, Central Administration, from Game, Fish and Water Safety Account No. 009 shall be reduced by an additional $250,000 in fiscal year 2002 and in fiscal year 2003. All funds reduced from Strategy D.1.1, Central Administration, are to be separately accounted for by the Parks and Wildlife Department, and used to purchase and/or otherwise acquire radio system equipment and improvements for game wardens.

21. **Appropriation: Land Sale Proceeds.** In addition to amounts appropriated above, the Parks and Wildlife Department is hereby appropriated all proceeds collected on or after September 1, 2001, and any balances as of August 31, 2001, from the sale of land (estimated to be $300,000 in Appropriated Receipts). In accordance with Parks and Wildlife Code § 13.009, the proceeds may only be used to improve or acquire other real property dedicated to the same purpose for which the land sold was dedicated.

22. **Commercial Fishery License Fees.** It is the intent of the Legislature that the Parks and Wildlife Department shall adjust rates charged for licenses in each of the Commercial Fishery Programs accordingly as to provide funds necessary to recoup all department costs associated with the management of each program. In making the fee determination, the department should consider the commercial value of the licenses and the amount needed to recoup department costs associated with management of the respective commercial fishery as outlined in the State Auditor Report No. 01-011.

23. **Appropriation of Receipts out of General Revenue-dedicated Accounts.** The Parks and Wildlife Department is hereby appropriated any revenues, including concession revenues, deposited to an account of the Department for the biennium beginning September 1,

2001 (not to exceed $8,763,174 out of Game, Fish and Water Safety Account No. 9; all revenue collections in State Parks Account No. 64 during the 2002-03 biennium that exceed $1,209,080; estimated to be $291,856 out of Texas Parks and Wildlife Capital Account No. 5004; estimated to be $189,377 out of Artificial Reef Account No. 679; and, estimated to be $14,000 out of Shrimp License Buyback Account No. 5023). The Department is specifically authorized to expend these funds for purposes authorized by the Parks and Wildlife Code. However, the Department is authorized to expend these funds only to the extent that such expenditures comply with limitations established for salary, travel and capital expenditures, employment levels and other provisions contained in Article IX of this Act. Prior to expending any revenue collections to State Parks Account No. 64, the Parks and Wildlife Department shall report the purpose and amounts of the expenditure to the Legislative Budget Board and the Governor.

24. **Local Parks.** Out of amounts appropriated above in Strategy B.1.2, Local Parks, $500,000 is to be used to establish a one to one matching grant to a park located in Region 4 for the development of a local park; not more than $200,000 per fiscal year is to be used to provide a one-time grant to the Meteor Crater Site for operating costs; and not more than $250,000 per fiscal year shall be used to construct park and trail systems along the Rio Grande, beginning with the most highly populated area and those parks and trails that serve the greatest number of visitors. Any unexpended balances in funds allocated for construction of park and trail systems along the Rio Grande River as of August 31, 2002 are appropriated for the same purpose for the fiscal year beginning September 1, 2002. The grants will be subject to criteria developed by the Department for the purpose of awarding these grants.

25. **Park Restoration.** Out of funds appropriated above in Strategy B.1.2, Local Parks, the department shall allocate $1,000,000 for a one-time grant to the City of Houston for the purpose of completing park restoration projects at Hermann Park.

26. **Establish or Restore Services at State Parks.** Included in amounts appropriated above in Strategy A.2.1, Operate State Parks, is $5.0 million (an amount not to exceed $4,232,459 from the General Revenue Fund and $767,541 from State Parks Account No. 064) and 81.5 full-time-equivalent positions in fiscal years 2002 and 2003, to open or establish services at seven parks or facilities, including the Franklin Mountains Tram, Chinati Mountains, Devil's Sinkhole, Lake Casa Blanca, Fort Boggy, Government Canyon, Lake Tawakoni, and the World Birding Center Headquarters; to add education and outreach staff at state parks; and to fund critical staffing and equipment needs in the state parks system. These funds shall be allocated as follows:

Park/Facility	Amount Per Fiscal Year	Number of Positions
World Birding Centers (construction begins December 2001; Bentsen–Rio Grande State Park already open)	$637,567	24.50 FTEs
Wyler Aerial Tramway (opened March 2001)	$241,305	5.9 FTEs
Chinati Mountains State Natural Area (opens September 2001)	$125,136	2.0 FTEs
Lake Casa Blanca (September 2001)	$167,631	3.0 FTEs
Lake Tawakoni (September 2001)	$23,452	1.0 FTE

El Paso State Parks Complex (opens May 2001)	$72,504	2.0 FTEs
Government Canyon (construction begins December 2002)	$181,753	8 FTEs
Devil's Sinkhole State Natural Area (facility already open)	$77,598	1 FTE
Fort Boggy State Park (opens September 2001)	$65,232	2 FTEs
Operating funds for existing state parks	$1,407,695	
Equipment replacement	$580,000	
Parks field staff and regional interpreters (positions advertised September 2001)	$1,420,127	32 FTEs

27. **Reporting Requirements: Capital Equipment.** The department shall submit a report semiannually to the Legislative Budget Board and the Governor which documents all leases, purchases, donations, or acquisitions of major capital items. The capital equipment itemized in the report shall include, at a minimum, boats, motors, and other water safety equipment; vehicles; computers; and radio equipment. The report shall identify which strategy within the agency's budget is the source of funding for the item; the method of finance for the item; the cost or value of the item; the date the item was acquired; and the law enforcement district and region or state park to which the item has been delivered.

28. **Reporting Requirements: Full-Time Equivalent Positions.** The department shall submit a monthly report to the Legislative Budget Board and the Governor which lists the number of authorized, budgeted, and filled positions in Strategy C.1.1, Law Enforcement. The report must include the classification of each position.

29. **Reporting Requirements: Game Warden Academies.** The department shall submit an annual plan to ensure the fulfilment of the agency's FTEs for Game Wardens. The department shall submit a report to the Legislative Budget Board and the Governor within 30 days of the completion of a Game Warden Academy which lists the total number of applicants, the number selected to attend the academy, and the number who successfully complete the academy. The report shall include the race, ethnicity, gender, prior law enforcement experience, and educational background of all applicants; the applicants selected to attend the academy; the graduates of the academy; and those graduates who accepted positions with the agency.

30. **Contingency Appropriation for House Joint Resolution 97 and House Bill 3064.** Included in amounts appropriated Strategy A.2.2, Capital Programs in fiscal year 2003 is $36,680,000 in general obligation bond proceeds for infrastructure repair, maintenance, and other projects which is contingent on approval of House Joint Resolution 97 or similar legislation by the Seventy-seventh Legislature, Regular Session, and Texas voters in November 2001, and the adoption of House Bill 3064 or similar legislation by the Seventy-seventh Legislature, Regular Session. The Parks and Wildlife Department is directed to seek other funding sources, including federal grant funds and contributions from private philanthropic organizations, to construct a Visitor Center at the Levi Jordan Plantation Site.

31. **Lake Fort Parker Aquatic Ecosystem Restoration Project.** The Parks and Wildlife Department shall apply for a grant from the US Department of Interior of $300,000 per fiscal year to complete the Corps of Engineers Restoration Plan for the Lake Fort Parker Ecosystem Restoration Project. Matching funds are the responsibility of local governments and may not come from state or other federal sources.

32. **Lake Casa Blanca Dredging Project.** The Parks and Wildlife Department shall apply for a grant of $900,000 from the US Department of Interior to complete the Lake Casa Blanca Dredging Project. Matching funds are the responsibility of Webb County and may not come from state or other federal sources.

RAILROAD COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENVIRONMENTAL PROTECTION Assure that Texas fossil fuel energy production, storage and delivery is conducted to minimize harmful effects on the state's environment and to preserve natural resources.		
Outcome (Results/Impact):		
Percentage of Oil and Gas Facility Inspections That Identify Environmental Violations	26%	27%
Percentage of Known Non-compliant Wells Plugged with the Use of State Funds	3.2%	3.1%
A.1.1. Strategy: MONITORING AND INSPECTIONS Assure that permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.	$ 11,902,668	$ 11,810,216
Output (Volume):		
Number of Oil and Gas Facility Inspections Performed	106,000	107,000
Number of Oil and Gas Environmental Permit Applications and Reports Processed	73,800	73,100
Efficiencies:		
Average Number of Oil and Gas Facility Inspections Performed Per Inspector	1,300	1,325
A.2.1. Strategy: REMEDIATION, RECLAMATION & PLUGGING Protect public health and the environment by identifying, assessing and prioritizing wells, sites or mine lands that require the use of state funds for remediation or reclamation and provide assistance for operator initiated corrective actions.	$ 23,014,715	$ 12,728,136
Output (Volume):		
Number of Wells Plugged with the Use of State Funds	790	735
Number of Pollution Sites Investigated, Assessed or Cleaned up with the Use of State Funds	168	168
Total, Goal A: ENVIRONMENTAL PROTECTION	$ 34,917,383	$ 24,538,352

B. Goal: SAFETY PROGRAMS		
Advance safety in the delivery and use of Texas petroleum products and in the operation of the Texas Rail System through training, monitoring and enforcement.		
Outcome (Results/Impact):		
Average Number of Pipeline Safety Violations Per Equivalent Mile of Pipe Identified through Inspections	3	3
B.1.1. Strategy: PIPELINE AND LP GAS SAFETY	$ 3,869,572	$ 3,867,922
Ensure the safe operation of pipelines and LPG/CNG/LNG businesses through licensing and permitting, field inspections, accident investigations and emergency response.		
Output (Volume):		
Number of Pipeline and LP Gas Safety Inspections Performed	18,300	18,500
B.1.2. Strategy: RAIL SAFETY	$ 1,188,836	$ 1,190,734
Ensure safety through inspections of railroad facilities, equipment, and operations; and public education on rail grade crossings.		
Output (Volume):		
Number of Rail Units Inspected	49,000	49,000
Total, Goal B: SAFETY PROGRAMS	$ 5,058,408	$ 5,058,656
C. Goal: ENERGY RESOURCES		
Support the development, management and use of Texas' oil and gas energy resources to protect correlative rights, provide equal and fair energy access to all entities, ensure fair gas utility rates, and promote research and education on the use of alternative fuels.		
Outcome (Results/Impact):		
Percent of Oil and Gas Wells That Are Active	74%	75%
Percent of Total United States Onshore Gas Coming from Texas	36%	36%
Percent of Total United States Onshore Oil Coming from Texas	27%	27%
C.1.1. Strategy: ENERGY RESOURCE DEVELOPMENT	$ 3,706,483	$ 3,705,366
Protect correlative rights and prevent waste while maximizing opportunities for the development of oil and gas resources through well site permitting, production allowables, production rule reviews and exception processing.		
Output (Volume):		
Number of Wells Monitored	353,000	352,000
C.2.1. Strategy: GAS UTILITY COMPLIANCE	$ 1,532,648	$ 1,532,685
Oversee natural gas utility rates structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of Gas Utility Taxes.		
C.2.2. Strategy: PROMOTE LP GAS USAGE	$ 3,166,930	$ 2,849,004
Develop and implement research and technical services, marketing, and a public education plan to increase the use of LP gas as an alternative fuel.		
Output (Volume):		
Number of Rebate and Incentive Applications Handled	5,000	5,000
Efficiencies:		
Administrative Costs as a Percentage of Alternative Fuels Research and Education Account Fee Revenue	17.8%	17.8%
Total, Goal C: ENERGY RESOURCES	$ 8,406,061	$ 8,087,055

D. Goal: TECHNOLOGICAL ENHANCEMENTS Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.		
D.1.1. Strategy: ELECTRONIC GOVERNMENT Collect, maintain, and preserve data submitted to the Commission; provide efficient public access to this information; offer regulated industries a means to conduct their business electronically rather than through paper transactions; and continue conversion of mainframe technologies to Internet-based technology.	$ 9,186,588	$ 8,137,158
Output (Volume):		
Number of Compliance Permits Filed Electronically	600	800
Grand Total, RAILROAD COMMISSION	$ 57,568,440	$ 45,821,221
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 27,519,270	$ 26,441,715
Earned Federal Funds	121,438	123,838
Subtotal, General Revenue Fund	$ 27,640,708	$ 26,565,553
General Revenue Fund - Dedicated		
Alternative Fuels Research and Education Account No. 101	2,208,851	2,208,851
Oil Field Cleanup Account No. 145	20,724,349	11,095,355
Subtotal, General Revenue Fund - Dedicated	$ 22,933,200	$ 13,304,206
Federal Funds	4,930,247	4,931,497
Other Funds		
Appropriated Receipts	825,525	761,525
Interagency Contracts	1,238,760	258,440
Subtotal, Other Funds	$ 2,064,285	$ 1,019,965
Total, Method of Financing	$ 57,568,440	$ 45,821,221
Number of Full-Time-Equivalent Positions (FTE):	788.3	784.1
Schedule of Exempt Positions:		
Railroad Commissioner, Group 4	(3) $92,217	(3) $92,217
Supplemental Appropriations Made in Riders:	$ 932,500	$ 932,500

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Electronic Compliance and Approval Project	625,600	424,200
(2) Oil and Gas Technology Migration	1,929,234	1,040,963
(3) Information Technology Infrastructure Upgrade	$ 146,000	$ 54,855
Total, Acquisition of Information Resource Technologies	$ 2,700,834	$ 1,520,018
b. Transportation Items		
(1) Vehicle Replacements	$ 1,009,124	$ 985,874
Total, Capital Budget	$ 3,709,958	$ 2,505,892
Method of Financing (Capital Budget):		
General Revenue Fund	$ 3,209,458	$ 2,053,642
GR Dedicated - Alternative Fuels Research and Education Account No. 101	92,000	70,500
GR Dedicated - Oil Field Cleanup Account No. 145	314,000	297,000
Federal Funds	94,500	84,750
Total, Method of Financing	$ 3,709,958	$ 2,505,892

2. **Unexpended Balance and Estimated Appropriation Authority: Oil Field Cleanup Account.** Included in amounts appropriated above in Strategy A.2.1, Remediation, Reclamation, and Plugging, are balances remaining in the Oil Field Cleanup Account No. 145 as of August 31, 2001 (estimated to be $9,627,704). In addition to the amounts shown above, the Railroad Commission is hereby appropriated any additional revenues received and deposited in the Oil Field Cleanup Account No. 145 during the biennium to carry out duties authorized by Natural Resources Code, Supchapter D, Chapter 91.

3. **Appropriation: Abandoned Mine Land Funds.** The Railroad Commission is hereby appropriated both federal grant money from the US Department of Interior and interest on those funds, for the purposes authorized by Subchapter G, Chapter 134, Natural Resources Code. Unexpended balances and the earned interest therefrom shall be carried forward at the end of each fiscal year.

4. **Unexpended Balance and Estimated Appropriation Authority: Alternative Fuels Research and Education Account.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage, are balances remaining in the Alternative Fuels and Research Education Account No. 101 as of August 31, 2001 (estimated to be $0). In addition to amounts appropriated above, the Railroad Commission is hereby appropriated any additional revenues received and deposited in the Alternative Fuels and Research and Education (AFRED) Account No. 101 in accordance with Natural Resources Code, § 113.243.

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

6. **Limitation of Expenditure of State Funds.** Only funds appropriated above out of the Alternative Fuels Research and Education (AFRED) Account may be expended to administer, manage or otherwise support the propane water heater rebate program.

7. **Appropriation: Unexpended Balances Between Fiscal Years.** Any unexpended balances as of August 31, 2002, in the appropriations made herein to the Railroad Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

8. **Fee Appropriation: Liquid Propane (LP) Gas Licensing, Training, and Examination Renewal Fees.** Included in amounts appropriated above in Strategy C.2.2, Promote LP Gas Usage, is $268,750 in Appropriated Receipts from fees assessed and collected pursuant to Natural Resources Code, § 113.088, for the purpose of providing training to licensees and certificate holders. In addition to amounts appropriated above, any additional amounts collected by the Railroad Commission pursuant to Natural Resources Code, § 113.088, on or after September 1, 2001, are hereby appropriated to the commission for the same purpose.

9. **Appropriations Limited to Revenue Collections and Contingent Revenue: LPG/CNG/LNG Fees.** It is the intent of the Legislature that revenues collected pursuant to Natural Resources Code §§ 113.082, 113.088, 113.090, 113.093, 113.094, 113.131, 116.032, 116.034, and 116.072 and deposited to Revenue Object Codes 3035, 3245, and 3246 in the General Revenue Fund, and $60,000 each fiscal year collected pursuant to Natural Resources Code § 113.244, and deposited to Revenue Object Code 3034 in the Alternative Fuels Research and Education Account No. 101, cover, at a minimum, the cost of the appropriations made above in Strategy B.1.1, Pipeline and LP Gas Safety, for the LP Gas Program.

   This appropriation is contingent upon the Railroad Commission assessing fees sufficient to generate, during the 2002–03 biennium, revenue to cover the appropriations. The Railroad Commission, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Railroad Commission's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

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

   In addition to amounts identified above, the Railroad Commission is hereby appropriated all additional revenue collected and deposited to the credit of the revenue accounts listed above for the same purposes.

10. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Railroad Commission are made contingent on the continuation of the Railroad Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of the agency operations.

11. **Review and Update of Naturally Occurring Radioactive Material (NORM) Regulations.** From funds appropriated, the Railroad Commission shall review and update its Naturally Occurring Radioactive Material (NORM) regulations based on the Railroad Commission's completed Oil and Gas NORM Waste Study. The regulations should specifically be designed to protect workers and the general public from airborne exposure to NORM.

12. **Review and Update of Oil Well Plugging Regulations.** From funds appropriated, the Railroad Commission shall review and update its oil well plugging regulations to insure the groundwater resources of Texas are protected.

13. **Oil and Gas Technology Migration Project.** Included in amounts appropriated above in Strategy, D.1.1, Electronic Government, is $2,189,234 from the General Revenue Fund and five full-time equivalent positions in fiscal year 2002 and $1,465,963 from the General Revenue Fund and eight full-time equivalent positions in fiscal year 2003 for the Oil and Gas Technology Migration Project. It is the intent of the Legislature that the Railroad Commission utilize the West Texas Disaster Recovery and Operations Center (WTDROC), to the maximum extent possible, in compliance with Article IX, § 6.20, of the General Appropriations Act, Seventy-seventh Legislature, Regular Session, with regard to the Oil and Gas Technology Migration Project. The Railroad Commission shall evaluate the Oil and Gas Technology Migration Project for disaster recovery, data center operations, and seat management for potential to be supplied by WTDROC. Once completed, the Railroad Commission shall send a copy of this evaluation to the Governor, Legislative Budget Board, and the Department of Information Resources.

14. **Appropriation: Targeted Salary Increase.** Notwithstanding other appropriations made by this Act related to salary increases, in addition to amounts appropriated above to the Railroad Commission, there is hereby appropriated each fiscal year of the biennium $699,375 out of the General Revenue Fund; $18,650 out of the Alternative Fuels Research and Education Account No. 101; $121,225 out of the Oil Field Cleanup Account No. 145; and $93,250 out of Federal Funds for the purpose of making salary increases for select job classes.

    The Railroad Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

TEXAS RIVER COMPACT COMMISSIONS

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: CANADIAN RIVER COMPACT The Canadian River Compact will ensure the delivery of Texas' equitable share of quality water from the Canadian River and its tributaries as apportioned by the Canadian River Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Canadian River Compact	100%	100%
A.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water stored by each compacting state.	$ 22,136	$ 22,137
B. Goal: PECOS RIVER COMPACT The Pecos River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Pecos River and its tributaries as apportioned by the Pecos River Compact.		

TEXAS RIVER COMPACT COMMISSIONS
(Continued)

Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Pecos River Compact	100%	100%
B.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water deliveries to Texas by New Mexico as apportioned by the Pecos River Compact and U.S. Supreme Court Decree.	$ 127,541	$ 127,542
C. Goal: RED RIVER COMPACT The Red River Compact will ensure delivery of Texas' equitable share of quality water from the Red River and its tributaries as apportioned by the Red River Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Red River Compact	100%	100%
C.1.1. Strategy: WATER DELIVERY ACCOUNTING Develop and implement an annual accounting system of water deliveries to each compacting state.	$ 33,263	$ 33,264
D. Goal: RIO GRANDE COMPACT The Rio Grande River Compact will ensure delivery and maximize the availability of Texas' equitable share of quality water from the Rio Grande and its tributaries as apportioned by the Rio Grande Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Rio Grande Compact	100%	100%
D.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water deliveries to Texas by Colorado and New Mexico as apportioned by the Rio Grande Compact.	$ 160,740	$ 160,741
E. Goal: SABINE RIVER COMPACT The Sabine River Compact will ensure delivery of Texas' equitable share of quality water from the Sabine River and its tributaries as apportioned by the Sabine River Compact.		
Outcome (Results/Impact):		
The Percentage Received of Texas' Equitable Share of Quality Water Annually as Apportioned by the Sabine River Compact	100%	100%
E.1.1. Strategy: WATER DELIVERY ACCOUNTING Prepare and resolve the annual accounting of water diversions by Texas and Louisiana as apportioned by the Sabine River Compact.	$ 55,788	$ 55,789
Grand Total, TEXAS RIVER COMPACT COMMISSIONS	$ 399,468	$ 399,473
Number of Full-Time-Equivalent Positions (FTE):	8.5	8.5
Schedule of Exempt Positions:		
Red River Compact Commissioner	$24,225	$24,225
Rio Grande Compact Commissioner	41,195	41,195
Sabine River Compact Commissioner	(2) 8,487	(2) 8,487
Canadian River Compact Commissioner	10,767	10,767
Pecos River Compact Commissioner	32,247	32,247

TEXAS RIVER COMPACT COMMISSIONS
(Continued)

1. **General Provisions Exemption: Working Hours and Leave.** The Red River Compact, Sabine River Compact, Canadian River Compact and Pecos River Compact Commissions are specifically exempt from compliance with the Employee Working Hours and Holidays and Employees Vacations and Leave provisions of the Government Code.

SOIL AND WATER CONSERVATION BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECT TEXAS FARM AND GRAZING LAND		
To protect and enhance the farm and grazing land of Texas by ensuring that a quality conservation program is available and being applied in all soil and water conservation districts in Texas.		
Outcome (Results/Impact):		
Percent of District Financial Needs Met by Soil and Water Conservation Board Grants	32%	32%
Percent of Soil and Water Resource Needs with Conservation Plans or Specific Programs Developed to Address Those Needs	30%	32%
A.1.1. Strategy: PROGRAM MANAGEMENT ASSISTANCE Provide program expertise and technical guidance on a statewide basis in managing and directing conservation programs.	$ 135,241	$ 135,241
Output (Volume):		
Number of Statewide Workshops, Training Sessions and Seminars Conducted	60	60
A.1.2. Strategy: FINANCIAL AND TECHNICAL ASSISTANCE Provide soil and water conservation districts with financial and technical assistance.	$ 12,433,863	$ 3,679,383
Output (Volume):		
Number of District Directors and District Employees Contacted by Field Staff	8,000	9,000
Number of Acres of Brush Treated	65,000	24,150
Total, Goal A: PROTECT TEXAS FARM AND GRAZING LAND	$ 12,569,104	$ 3,814,624
B. Goal: NONPOINT SOURCE POLLUTION ABATEMENT		
To effectively administer a program for the abatement of nonpoint source pollution caused by agricultural and silvicultural uses of the state's soil and water resources.		
Outcome (Results/Impact):		
Percent of Agricultural/Silvicultural Operations within Identified Problem Areas Having District-approved Water Quality Management Plans Developed and Certified	12.5%	13%
Percent of Agricultural and Silvicultural Operations with a Potential to Cause Nonpoint Pollution in Areas with Approved Total Maximum Daily Loads Having Certified Water Quality Management Plans	20%	26%
B.1.1. Strategy: STATEWIDE MANAGEMENT PLAN Implement and update as necessary a statewide management plan for the control of agricultural and silvicultural nonpoint source water pollution.	$ 3,046,670	$ 3,048,229

Output (Volume):		
Number of Agricultural/Silvicultural Nonpoint Source Site-specific Areas Evaluated for Potential Nonpoint Source Problems	5	6
B.2.1. Strategy: POLLUTION ABATEMENT PLANS Develop and implement pollution abatement plans for agriculture/silviculture operations in identified problem areas.	$ 4,132,175	$ 4,132,175
Output (Volume):		
Number of Pollution Abatement Plans Certified	1,000	1,050
Total, Goal B: NONPOINT SOURCE POLLUTION ABATEMENT	$ 7,178,845	$ 7,180,404
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 538,265	$ 538,265
Grand Total, SOIL AND WATER CONSERVATION BOARD	$ 20,286,214	$ 11,533,293
Method of Financing:		
General Revenue Fund	$ 17,408,923	$ 8,656,002
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	100,000	100,000
Federal Funds	2,777,291	2,777,291
Total, Method of Financing	$ 20,286,214	$ 11,533,293
Number of Full-Time-Equivalent Positions (FTE):	65.0	65.0
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$65,000	$65,000
Per Diem of Board Members	9,000	9,000

1. **Matching Requirements.** Funds appropriated above for conservation assistance grants for Soil and Water Conservation Districts may be expended only when matched by equal amounts from sources other than state funds or earnings from state funds, not to exceed $7,500 in any district per fiscal year.

2. **Appropriation: Unexpended Balances between Biennia for Soil Conservation Districts.** Any unexpended balances in the appropriations made to the Soil Conservation Districts on August 31, 2001, are hereby appropriated to the Soil Conservation Districts for the biennium beginning with the effective date of this Act, for the purposes provided for under the soil conservation statutes.

3. **Appropriation: Unexpended Balances between Fiscal Years for the Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2002, are hereby appropriated for fiscal year 2003 for the same purposes.

4. **Allocation of Grant Funds.** It is the intent of the legislature that an allocation of 80 percent of Technical Assistance and Subchapter H Technical Assistance Program grant funds to local soil and water conservation districts by the Soil and Water Conservation Board shall be made at the beginning of each fiscal year. The remaining 20 percent of grant funds shall be allocated by the Soil and Water Conservation Board to districts on a discretionary basis during the remainder of the fiscal year. Grant allocations are made contingent upon districts filing quarterly expenditure reports and an annual grant expenditure summary report with the Soil and Water Conservation Board.

5. **Brush Control.** Included in the amounts appropriated above in Strategy A.1.2, Financial and Technical Assistance, is $9,163,189 out of the General Revenue Fund for the biennium for the brush control program. These funds shall be transferred to Brush Control Fund No. 556 for expenditure from that Fund. Out of the total appropriation for brush control, $1,000,000 for the biennium is to be spent on brush control feasibility studies, including $500,000 to be spent on studies in the Palo Pinto Lake, Lake Brownwood, Lake Fort Phantom Hill, and Lake Arrowhead watersheds; and $500,000 to be spent on studying methods for adequately addressing future maintenance needs and identifying appropriate watershed management activities and financing mechanisms for the State Brush Control Program. All feasibility studies must include participation by the State Soil and Water Conservation Board, Texas Agricultural Extension Service, Texas Agricultural Experiment Station, and interested local entities, such as river authorities. A total of $8,163,189 for the biennium is to be used for brush control projects in the North Concho River Watershed. Any unexpended balances from this appropriation as of August 31, 2002, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2002.

   In addition to amounts appropriated above, any unexpended balances associated with the brush control program as of August 31, 2001, in Strategy A.1.2, Financial and Technical Assistance, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2001.

6. **Appropriation: Waste Water Management Plans for Poultry Operators.** Included in amounts appropriated above in Strategy B.2.1, Pollution Abatement Plans, is $250,000 out of the General Revenue Fund in each fiscal year 2002 and 2003 for additional administrative costs associated with the preparation of waste water management plans for poultry operators.

7. **Appropriation: Manure Transportation Reimbursement Incentive.** Included in amounts appropriated above in Strategy A.1.2, Financial and Technical Assistance, is $565,863 out of the General Revenue Fund in each fiscal year 2002 and 2003 for reimbursement payments to entities transporting manure. The rate of reimbursement is estimated at an average of $2.60 per cubic yard of manure transported.

8. **Contingent Full-time-equivalent Position: Senate Bill 1339.** Contingent upon passage of Senate Bill 1339 by the Seventy-seventh Legislature, Regular Session, or similar legislation requiring owners or operators of poultry facilities to implement and maintain certified water quality management plans, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above for the Soil and Water Conservation Board is hereby increased by one in each fiscal year of the 2002–03 biennium.

   The following incremental change to a key measure target reflects FTE levels contingent upon enactment of Senate Bill 1339 or similar legislation requiring owners or operators of poultry facilities to implement and maintain certified water quality management plans:

	2002	2003
Number of Pollution Abatement Plans Certified	50	50

9. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Soil and Water Conservation Board are made contingent upon the continuation of the Soil and Water Conservation Board by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

WATER DEVELOPMENT BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: WATER RESOURCE PLANNING Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans.		
Outcome (Results/Impact):		
Percent of Information Available to Adequately Monitor the State's Water Supplies	79.6%	79%
Percent of Future Water Demands and Supplies Adequately Identified for Texas Water User Groups	5%	42%
Percent of Texas Communities and Other Entities Receiving Technical and Financial Assistance for Water Planning and Conservation	10%	10%
A.1.1. Strategy: DATA COLLECTION Operate a statewide data collection and water resources evaluation program that provides adequate information to conduct planning.	$ 3,890,786	$ 4,061,965
Output (Volume):		
Number of Data Units Collected and/or Processed by Texas Water Development Board Staff in Support of Monitoring, Investigating, and Defining the State's Surface Water and Groundwater Resources	21,628	22,520
Number of Bay and Estuary and Instream Study Elements Completed	164.5	178.5
A.1.2. Strategy: LONG-RANGE WATER SUPPLY PLANNING Determine water management strategies recommended to meet water demands within planning regions of the state and for the state as a whole.	$ 8,205,996	$ 7,538,336
Output (Volume):		
Number of Future Water Demands and Water Management Strategy Elements Completed	562	4,025
Explanatory:		
Percent of Regional Water Planning Process Completed	14%	18%
A.1.3. Strategy: NATURAL RESOURCE INFORMATION SYSTEM Operate the Texas Natural Resources Information System (TNRIS) to facilitate state agency and public access to natural resource and census data.	$ 2,442,732	$ 2,481,121
Output (Volume):		
Number of Responses to Requests for TNRIS-related Information	300,000	300,000
A.1.4. Strategy: WATER RESOURCES INFORMATION Integrate, process, and disseminate water resources and facility needs information.	$ 1,170,199	$ 1,222,538
Output (Volume):		
Number of Responses to Requests for Water Resources Information	30,000	30,000
A.2.1. Strategy: FACILITY PLANNING Provide technical and financial assistance to Texas communities and other entities as they jointly develop detailed plans for regional (multiple user) water supply, wastewater or flood protection facilities.	$ 3,976,959	$ 3,990,956

Output (Volume):		
Number of Active Grants for Regional Water, Wastewater, Flood and Research Studies Funded from the Research and Planning Fund	120	120
A.2.2. Strategy: CONSERVATION ASSISTANCE	$ 588,149	$ 608,500
Provide water conservation and other technical and financial assistance to Texas communities and other entities to promote increased water use efficiency.		
Output (Volume):		
Number of Water Conservation Technical Assistance and Educational Activities Conducted by Texas Water Development Board Staff	800	800
Total, Goal A: WATER RESOURCE PLANNING	$ 20,274,821	$ 19,903,416
B. Goal: WATER PROJECT FINANCING		
Provide cost-effective financing for the development of water supply, for water quality protection, and for other water-related projects.		
Outcome (Results/Impact):		
Percent of Five-year Annualized Projected Water Supply, Water Quality Protection, and Other Water-related Infrastructure Costs Addressed by Texas Water Development Board Financial Assistance Commitments	6.6%	6.7%
Percent of Estimated Total Colonia Population Provided a Construction Funding Commitment for Water or Wastewater Services	59.68%	62.87%
B.1.1. Strategy: FINANCIAL ASSISTANCE	$ 10,763,339	$ 10,043,482
Provide financial assistance to save money for Texas communities for water supply, water quality protection, and other water-related projects.		
Output (Volume):		
Number of Financial Assistance/Loan Commitments Provided To Small Communities	63	63
B.1.2. Strategy: ECONOMICALLY DISTRESSED AREAS	$ 2,359,834	$ 2,461,116
Provide financial assistance to political subdivisions in order to provide economically distressed areas (colonia) residents access and connections to adequate water supplies and/or wastewater treatment systems and for indoor plumbing improvements.		
Output (Volume):		
Number of Economically Distressed Areas (Colonia) Construction Commitments Made	5	8
Total, Goal B: WATER PROJECT FINANCING	$ 13,123,173	$ 12,504,598
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 2,449,275	$ 2,552,878
C.1.2. Strategy: INFORMATION RESOURCES	$ 842,213	$ 875,696
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 504,197	$ 513,760
Total, Goal C: INDIRECT ADMINISTRATION	$ 3,795,685	$ 3,942,334
Grand Total, WATER DEVELOPMENT BOARD	$ 37,193,679	$ 36,350,348

Method of Financing:				
General Revenue Fund				
General Revenue Fund		$ 21,487,282		$ 20,627,178
Earned Federal Funds		663,897		663,897
Subtotal, General Revenue Fund		$ 22,151,179		$ 21,291,075
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563		100,000		100,000
Federal Funds		3,944,032		3,998,261
Other Funds				
Groundwater District Loan Assistance Fund No. 363		320,000		0
Water Assistance Fund No. 480		3,583,130		3,583,130
Agricultural Trust Fund No. 562		225,425		225,425
Appropriated Receipts		6,835,229		7,117,773
Interagency Contracts		34,684		34,684
Subtotal, Other Funds		$ 10,998,468		$ 10,961,012
Total, Method of Financing		$ 37,193,679		$ 36,350,348
Number of Full-Time-Equivalent Positions (FTE):		312.5		312.5
* **Number of FTEs in Riders:**		2.0		2.0
Schedule of Exempt Positions:				
Executive Administrator, Group 4		$108,000		$108,000
Per Diem of Board Members		5,400		5,400
Supplemental Appropriations Made in Riders:		$ 12,114,212		$ 260,000

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

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 415,100	$ 524,156
b. Transportation Items		
(1) Purchase Vehicles	$ 120,000	$ 120,000
c. Acquisition of Capital Equipment and Items		
(1) Strategic Mapping Pool	1,268,000	1,268,000
(2) Streamflow and Groundwater Monitoring Gauges	$ 220,000	$ 220,000
Total, Acquisition of Capital Equipment and Items	$ 1,488,000	$ 1,488,000

*Inadvertently included in enrolled Bill.

d. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Other Lease Payments to the Master Lease Purchase Program	$ 108,795	$ 105,908
Total, Capital Budget	$ 2,131,895	$ 2,238,064
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,794,106	$ 1,863,975
Federal Funds	85,495	99,338
Other Funds		
Water Assistance Fund No. 480	3,000	3,000
Agricultural Trust Fund No. 562	4,455	4,455
Appropriated Receipts	238,839	261,296
Interagency Contracts	6,000	6,000
Subtotal, Other Funds	$ 252,294	$ 274,751
Total, Method of Financing	$ 2,131,895	$ 2,238,064

2. **Transfer Authorized.** Included in amounts appropriated above out of the General Revenue Fund is $9,000,000 for the biennium to be transferred to the Water Assistance Fund No. 480, for the sole purpose of making grants to regional planning groups pursuant to § 15.4061 of the Water Code. The Texas Water Development Board is authorized to transfer these funds from the Water Assistance Fund to other accounts as authorized under § 15.011 of the Water Code as needed to support the regional planning process.

3. **Safe Drinking Water Act State Revolving Fund.** Included in amounts appropriated above out of the General Revenue Fund is $8,196,208 for the biennium for the state match portion of the community/non-community water system and economically disadvantaged community accounts established under the Safe Drinking Water Act State Revolving Fund.

4. **Appropriation: Water Assistance Fund.** In addition to amounts appropriated above there is hereby appropriated for the 2002–03 biennium any revenues accruing to the Water Assistance Fund No. 480 and any balances on hand as of September 1, 2001, in the Fund (estimated to be $9,647,382).

5. **Appropriation: Water Resources Fund.** In addition to amounts appropriated above any monies deposited into the Texas Water Resources Fund No. 591, including but not limited to proceeds from revenue bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act.

6. **Appropriation: Agricultural Water Conservation Fund.** In addition to amounts appropriated above any monies deposited into the Agricultural Water Conservation Fund No. 358, including but not limited to proceeds from agricultural water conservation bond sales, investment earnings, and loan repayments, are hereby appropriated to the Board for the biennium beginning with the effective date of this Act, for use pursuant to § 50-d of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter J. There are hereby appropriated such amounts as may be necessary to pay the principal and interest on such bonds that mature or become due during the biennium beginning with the effective date of this Act, pursuant to § 50-d of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapter J, to be transferred to the Agricultural Water Conservation Interest and Sinking Fund No. 359.

7. **Coordination with Department of Housing and Community Affairs.** The Texas Water Development Board (TWDB) and the Texas Department of Housing and Community Affairs (TDHCA) shall continue to coordinate funds out of the Economically Distressed Areas Program (EDAP) administered by the TWDB and the Colonia Fund administered by TDHCA as outlined in a Memorandum of Understanding (MOU) so as to maximize delivery of the funds and minimize administrative delay in their expenditure. At the beginning of each fiscal year of the 2002–03 biennium, the TWDB shall provide the TDHCA a list of EDAP-funded areas whose colonia residents cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. No later than September 15, 2002, the TWDB and the TDHCA shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts, including an estimate of the amount each agency has saved by reduced duplication of efforts.

8. **Fee Appropriation: State Revolving Fund Program Operation.** In addition to amounts appropriated above the Texas Water Development Board is hereby appropriated all fee revenue collected for administration and operation of the State Revolving Fund (SRF) Program or additional state revolving funds created under Subchapter J, Chapter 15, Texas Water Code. All fee revenue collected pursuant to the SRF program and additional state revolving funds may be deposited into an operating fund held in the Safekeeping Trust Company. Monies in the SRF or additional SRFs operating fund, including interest, may be used only for the purposes of reimbursing expenditures from appropriations in this Act. Such reimbursement shall include both direct expenditures for salaries and other expenditures and fringe benefits. In addition, the Texas Water Development Board may transfer amounts from the operating fund to the SRF or additional SRFs for uses pursuant to the Texas Water Code, Chapter 15, Subchapter J.

9. **Appropriation: Unexpended Balances in Agricultural Soil and Water Conservation Account.** Any unexpended balances in the appropriation made above out of the Agricultural Soil and Water Conservation Account No. 563 as of August 31, 2002, are hereby appropriated for fiscal year 2003.

10. **Appropriation: Unexpended Balance Authority.** In addition to amounts appropriated above the Texas Water Development Board is hereby appropriated any unexpended balances as of August 31, 2001, from the General Revenue Fund appropriated for the Canadian River Basin Chloride Control Project (estimated to be $338,556) in Strategy A.2.1, Facility Planning. The Board is authorized to expend these funds only for their original purposes.

11. **Use of Texas Water Resources Finance Authority (TWRFA) Funds.** Included in the amounts appropriated above, $184,073 in fiscal year 2002 and $190,331 in fiscal year 2003 in Appropriated Receipts are derived from the proceeds of the sale of the Texas Water Development Board's (TWDB) bond portfolio to the Texas Water Resources Finance Authority (TWRFA). Also included in amounts appropriated above is $840,000 in Appropriated Receipts for the biennium derived from cash flows and reserved as operating costs of TWRFA and used to reimburse TWDB for administrative expenditures incurred by TWDB in administering the TWRFA portfolio.

12. **Appropriation: Unexpended Balances in the Groundwater District Loan Assistance Fund.** Any unexpended balances as of August 31, 2002, in the appropriation made above out of the Groundwater District Loan Assistance Fund No. 363 as of August 31, 2002 are hereby appropriated for fiscal year beginning September 1, 2002.

13. **Appropriation: Playa Lakes Recharge Characteristics.** Included in the amounts appropriated above in Strategy A.1.2, Long-Range Water Supply Planning, is $275,000 out of the General Revenue Fund for the fiscal year beginning September 1, 2001 for research and studies relating to increasing the aquifer recharge characteristics of the playa lakes, existing

Natural Resource Conservation Service dams, and other water retention structures across the High Plains of Texas under Water Code, §§ 16.012 and 16.015. Pursuant to Water Code, § 16.019, the Board may enter into contracts for research, permitting and other activities necessary to increase the storage capacity of such reservoirs to allow the studies to be conducted.

Any unexpended balances remaining in this appropriation on August 31, 2002 are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

14. **Appropriation: Hueco Bolson Desalination Project:** Included in the amounts appropriated above in Strategy B.1.1, Financial Assistance, $1,000,000 out of the General Revenue Fund shall be transferred in fiscal year 2002 to the Water Assistance Fund No. 480 for the sole purpose of making a zero-interest loan to the El Paso Utilities for the planning and design of the Hueco Bolson Desalination Project. The loan shall be repaid over the course of 30 years. The Texas Water Development Board is authorized to transfer these funds from the Water Assistance Fund to other accounts as authorized under Section 15.011 of the Water Code as needed to support the regional planning process.

    Any unexpended balances out of this appropriation as of August 31, 2002, are hereby appropriated for the fiscal year beginning September 1, 2002, for the same purpose.

15. **Contingency Rider: Agricultural Water Conservation Bonds.** Contingent upon passage of legislation by the Seventy-seventh Legislature, Regular Session, authorizing the Water Development Board to make grants from the proceeds of Texas Agricultural Water Conservation Bonds, the Texas Water Development Board is hereby directed to enter into Interagency Contracts with the following agencies with the proceeds of such bonds:

    - $15 million is to be used for brush control cost share projects at the Soil and Water Conservation Board: and
    - $1 million is to be used for the Pecos River Ecosystem Project for saltcedar control at the Department of Agriculture.

16. **Contingency Appropriation: North Bosque Capital Improvements for TMDL Implementation.** Contingent upon passage of Senate Bill 312, or similar legislation providing authority to the Water Development Board to make grants out of the Water Assistance Fund No. 480 by specific legislative appropriation, there is hereby appropriated to the Water Development Board $1,868,274 out of the General Revenue Fund for the fiscal year beginning September 1, 2001. These funds shall be transferred to the Water Assistance Fund No. 480 and shall be used for grants to local governments in the North Bosque River watershed. The funds shall be used by the local entities to make capital improvements to wastewater treatment plants to meet requirements in implementing a Total Maximum Daily Load for the North Bosque River watershed.

    The Water Development Board shall allocate funds in this appropriation to one or more of the following entities, as determined by the Board:

    City of Clifton
    City of Hico
    City of Iredell
    City of Meridian
    City of Stephenville
    City of Valley Mills

    Any unexpended balances remaining in this appropriation on August 31, 2002 are hereby appropriated for the fiscal year beginning September 1, 2002.

17. **Appropriation: Targeted Salary Increase.** Notwithstanding other appropriations made by this Act, included in amounts appropriated above to the Water Development Board in Strategy B.1.1, Financial Assistance, is $19,177 in fiscal year 2002 and $19,178 in fiscal year 2003 out of the General Revenue Fund for the purpose of making salary increases to fund the reallocation of the financial examiner series.

18. **Contingency Appropriation: Flood Protection.** Contingent upon passage of Senate Bill 312, or similar legislation authorizing the Water Development Board to make grants out of the Water Assistance Fund No. 480, the board is hereby authorized to use funds appropriated to the Water Assistance Fund No. 480 in an amount not to exceed $200,000 to provide grant assistance for flood protection costs contingent upon a local match of at least 10 percent for areas in which the Albuquerque District of the United States Army Corps of Engineers completed a reconnaissance level of study by February 1997.

19. **Contingency Appropriation: Senate Bill 312.** Contingent upon passage of Senate Bill 312 by the Seventy-seventh Legislature, Regular Session, or similar legislation creating a Rural Community Water and Wastewater Loan Program, the Water Development Board is hereby appropriated $260,000 in each fiscal year 2002 and 2003 out balances in the Texas Water resources Finance Authority (TWRFA) Fund. These amounts may be used as loan proceeds for the Rural Community Water and Wastewater Loan Program and for administrative expenses related to the program.

20. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Water Development Board are made contingent upon the continuation of the Water Development Board by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: GEN OBLIGATION BOND DEBT SERVICE Fulfill all general obligation bond debt service payments for the Economically Distressed Areas Program (EDAP) and State Participation Program.		
A.1.1. Strategy: EDAP DEBT SERVICE Make general obligation bond debt service payments for the Economically Distressed Areas Program.	$ 10,733,525	$ 15,369,877
A.1.2. Strategy: STATE PARTICIPATION DEBT SERVICE Make general obligation bond debt service payments for the State Participation Program.	$ 6,983,143	$ 7,976,512
Total, Goal A: GEN OBLIGATION BOND DEBT SERVICE	$ 17,716,668	$ 23,346,389
Grand Total, DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS	$ 17,716,668	$ 23,346,389

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS
(Continued)

Method of Financing:		
General Revenue Fund	$ 15,190,741	$ 19,676,041
Other Funds		
Economically Distressed Areas Bond Payment Account No. 357	1,953,605	2,345,288
State Participation Program Bond Payment Account	572,322	1,325,060
Subtotal, Other Funds	$ 2,525,927	$ 3,670,348
Total, Method of Financing	$ 17,716,668	$ 23,346,389
Supplemental Appropriations Made in Riders:	$ 0	$ 2,945,306

1. **Payment of Debt Service: Economically Distressed Areas Bonds.** All monies received by the Texas Water Development Board and deposited to the Economically Distressed Areas Bond Payment Account No. 357 are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for water and wastewater infrastructure through the Economically Distressed Areas Program that mature or become due during the biennium beginning with the effective date of this Act, pursuant to Sections 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapters C and L, including amounts issued prior to the effective date of this Act, as well as additional amounts to be issued in 2002–03, estimated to be $65.7 million. The amounts identified above in the Method of Financing as the Economically Distressed Areas Bond Payment Account No. 357 are estimated amounts to be received from repayments of loan principal and interest on such bonds that mature or become due during the biennium.

   The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the Economically Distressed Areas Bond Payment Account No. 357 for Debt Service Payments for the Economically Distressed Areas Program. The provisions contained herein shall not be construed, however, to abrogate the obligation of the State under Sections 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

2. **Payment of Debt Service: State Participation Bonds.** All monies received by the Texas Water Development Board and deposited to the State Participation Program Bond Payment Account are hereby appropriated for the payment of principal and interest on bonds issued to provide financial assistance for State Participation projects that mature or become due during the biennium beginning with the effective date of this Act, pursuant to Sections 49-c, 49-d-7, and 49-d-8 of Article III of the Texas Constitution and Texas Water Code, Chapter 17, Subchapters C and L, including amounts issued prior to the effective date of this Act, as well as additional amounts to be issued in 2002–03. The amounts identified above in the Method of Financing as the State Participation Program Bond Payment Account are estimated amounts of payments received from political subdivisions representing the purchase of the state's ownership interest in projects dedicated to the payment of principal and interest on such bonds that mature or become due during the biennium.

   The actual amount of funds to be paid from the General Revenue Fund shall be the total amount of debt service obligations due in each fiscal year less the amount available in the State Participation Program Bond Payment Account for Debt Service Payments for the State Participation Program. The provisions contained herein shall not be construed, however, to abrogate the obligation of the State under Sections 49-c and 49-d-8 of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING G.O. WATER BONDS
(Continued)

3. **State Participation Bonds.** The Texas Water Development Board is authorized to issue and sell an amount not to exceed $35 million in state participation bonds during the 2002–03 biennium under the authority of the Texas Constitution, Article III, § 49-d-2 or 49-d-8.

4. **Contingency Appropriation: Agricultural Water Conservation Bonds.** Contingent upon passage of legislation authorizing the Water Development Board to make grants from the proceeds of Texas Agricultural Water Conservation Bonds by the Seventy-seventh Legislature, Regular Session, the Texas Water Development Board is hereby appropriated $2,945,306 out of the General Revenue Fund in fiscal year 2003 for debt service payments on Texas Agricultural Water Conservation Bonds to be issued to provide financial assistance under Texas Water Code, § 17.894(b)(2) for the following projects: $15 million in financial assistance to the Soil and Water Conservation Board for brush control projects and $1 million in financial assistance to the Department of Agriculture for saltcedar removal along the Pecos River. The provisions contained herein shall not be construed, however, to abrogate the obligation of the state under § 50-d of Article III of the Texas Constitution to provide for the payment in full of the principal and interest on such bonds that mature or become due during the biennium.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 18,857,241	$ 19,234,385
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 43,178,907	$ 48,843,369
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 62,036,148	$ 68,077,754
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 62,036,148	$ 68,077,754
Method of Financing:		
General Revenue Fund, estimated	$ 21,145,019	$ 23,301,416
General Revenue - Dedicated, estimated	30,433,606	33,356,298
Federal Funds, estimated	8,613,505	9,404,939
Other Special State Funds, estimated	1,844,018	2,015,101
Total, Method of Financing	$ 62,036,148	$ 68,077,754

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 23,426,969	$ 23,895,510
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 4,882,138	$ 4,528,916
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 28,309,107	$ 28,424,426
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 28,309,107	$ 28,424,426
Method of Financing:		
General Revenue Fund, estimated	$ 9,162,397	$ 9,209,402
General Revenue - Dedicated, estimated	15,076,613	15,134,745
Federal Funds, estimated	2,992,758	2,997,776
Other Special State Funds, estimated	1,077,339	1,082,503
Total, Method of Financing	$ 28,309,107	$ 28,424,426

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE Make general obligation bond debt service payments in compliance with bond covenants.	$ 5,822,370	$ 7,057,755 & UB
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 5,822,370	$ 7,057,755
Method of Financing:		
General Revenue Fund	$ 1,685,887	$ 2,924,312
Current Fund Balance	4,136,483	4,133,443
Total, Method of Financing	$ 5,822,370	$ 7,057,755

LEASE PAYMENTS

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 1,095,881	$ 1,096,607 & UB
Grand Total, LEASE PAYMENTS	$ 1,095,881	$ 1,096,607

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Agriculture	$ 55,802,141	$ 49,566,862
Rider Appropriations	542,950	500,000
Contingency Appropriations	250,000	250,000
Total	56,595,091	50,316,862
Animal Health Commission	9,285,377	9,285,376
General Land Office and Veterans' Land Board	12,821,820	12,821,820
Rider Appropriations	45,200	0
Total	12,867,020	12,821,820
Trusteed Programs Within the General Land Office	6,300,000	6,300,000
Natural Resource Conservation Commission	32,899,349	27,633,508
Rider Appropriations	650,000	1,300,000
Total	33,549,349	28,933,508
Parks and Wildlife Department	64,483,860	63,920,710
Rider Appropriations	500,000	0
Total	64,983,860	63,920,710
Railroad Commission	27,640,708	26,565,553
Rider Appropriations	699,375	699,375
Total	28,340,083	27,264,928
Texas River Compact Commissions	399,468	399,473
Soil and Water Conservation Board	17,408,923	8,656,002
Water Development Board	22,151,179	21,291,075
Rider Appropriations	338,556	0
Contingency Appropriations	1,868,274	0
Total	24,358,009	21,291,075
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	15,190,741	19,676,041
Contingency Appropriations	0	2,945,306
Total	15,190,741	22,621,347
Subtotal, Natural Resources	$ 269,277,921	$ 251,811,101
Retirement and Group Insurance	21,145,019	23,301,416
Social Security and Benefit Replacement Pay	9,162,397	9,209,402
Subtotal, Employee Benefits	$ 30,307,416	$ 32,510,818
Bond Debt Service Payments	1,685,887	2,924,312
Lease Payments	1,095,881	1,096,607
Subtotal, Debt Service	$ 2,781,768	$ 4,020,919
TOTAL, ARTICLE VI - NATURAL RESOURCES	$ 302,367,105	$ 288,342,838

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Agriculture	$ 2,160,000	$ 160,000
General Land Office and Veterans' Land Board	9,707,234	9,732,734
Trusteed Programs Within the General Land Office	3,600,000	1,200,000
Natural Resource Conservation Commission	211,361,576	195,516,569
Rider Appropriations	1,568,725	1,620,925
Contingency Appropriations	101,695,437	96,630,696
Total	314,625,738	293,768,190
Parks and Wildlife Department	101,969,941	102,271,942
Rider Appropriations	7,361,875	5,663,203
Total	109,331,816	107,935,145
Railroad Commission	22,933,200	13,304,206
Rider Appropriations	139,875	139,875
Total	23,073,075	13,444,081
Soil and Water Conservation Board	100,000	100,000
Water Development Board	100,000	100,000
Subtotal, Natural Resources	$ 462,697,863	$ 426,440,150
Retirement and Group Insurance	30,433,606	33,356,298
Social Security and Benefit Replacement Pay	15,076,613	15,134,745
Subtotal, Employee Benefits	$ 45,510,219	$ 48,491,043
TOTAL, ARTICLE VI - NATURAL RESOURCES	$ 508,208,082	$ 474,931,193

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Agriculture	$ 1,477,394	$ 1,477,394
Animal Health Commission	2,932,313	2,930,313
General Land Office and Veterans' Land Board	2,358,678	2,358,312
Trusteed Programs Within the General Land Office	3,000,000	5,000,000
Natural Resource Conservation Commission	38,468,341	38,672,612
Parks and Wildlife Department	31,748,846	31,698,306
Railroad Commission	4,930,247	4,931,497
Rider Appropriations	93,250	93,250
Total	5,023,497	5,024,747
Soil and Water Conservation Board	2,777,291	2,777,291
Water Development Board	3,944,032	3,998,261
Subtotal, Natural Resources	$ 91,730,392	$ 93,937,236
Retirement and Group Insurance	8,613,505	9,404,939
Social Security and Benefit Replacement Pay	2,992,758	2,997,776
Subtotal, Employee Benefits	$ 11,606,263	$ 12,402,715
TOTAL, ARTICLE VI - NATURAL RESOURCES	$ 103,336,655	$ 106,339,951

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Agriculture	$ 2,783,721	$ 784,960
Rider Appropriations	1,800,000	0
Contingency Appropriations	75,000	75,000
Total	4,658,721	859,960
General Land Office and Veterans' Land Board	17,292,255	17,316,252
Trusteed Programs Within the General Land Office	4,925,000	5,425,000
Natural Resource Conservation Commission	4,657,318	4,057,319
Parks and Wildlife Department	6,969,396	43,649,396
Rider Appropriations	13,159,000	359,000
Total	20,128,396	44,008,396
Railroad Commission	2,064,285	1,019,965
Water Development Board	10,998,468	10,961,012
Rider Appropriations	9,647,382	0
Contingency Appropriations	260,000	260,000
Total	20,905,850	11,221,012
Debt Service Payments - Non-Self Supporting G.O. Water Bonds	2,525,927	3,670,348
Subtotal, Natural Resources	$ 77,157,752	$ 87,578,252
Retirement and Group Insurance	1,844,018	2,015,101
Social Security and Benefit Replacement Pay	1,077,339	1,082,503
Subtotal, Employee Benefits	$ 2,921,357	$ 3,097,604
Bond Debt Service Payments	4,136,483	4,133,443
Subtotal, Debt Service	$ 4,136,483	$ 4,133,443
Less Interagency Contracts	$ 6,523,879	$ 5,037,059
TOTAL, ARTICLE VI - NATURAL RESOURCES	$ 77,691,713	$ 89,772,240

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Agriculture	$ 62,223,256	$ 51,989,216
Rider Appropriations	2,342,950	500,000
Contingency Appropriations	325,000	325,000
Total	64,891,206	52,814,216
Animal Health Commission	12,217,690	12,215,689
General Land Office and Veterans' Land Board	42,179,987	42,229,118
Rider Appropriations	45,200	0
Total	42,225,187	42,229,118
Trusteed Programs Within the General Land Office	17,825,000	17,925,000
Natural Resource Conservation Commission	287,386,584	265,880,008
Rider Appropriations	2,218,725	2,920,925
Contingency Appropriations	101,695,437	96,630,696
Total	391,300,746	365,431,629
Parks and Wildlife Department	205,172,043	241,540,354
Rider Appropriations	21,020,875	6,022,203
Total	226,192,918	247,562,557
Railroad Commission	57,568,440	45,821,221
Rider Appropriations	932,500	932,500
Total	58,500,940	46,753,721
Texas River Compact Commissions	399,468	399,473
Soil and Water Conservation Board	20,286,214	11,533,293
Water Development Board	37,193,679	36,350,348
Rider Appropriations	9,985,938	0
Contingency Appropriations	2,128,274	260,000
Total	49,307,891	36,610,348
Debt Service Payments - Non-Self Supporting		
G.O. Water Bonds	17,716,668	23,346,389
Contingency Appropriations	0	2,945,306
Total	17,716,668	26,291,695
Subtotal, Natural Resources	$ 900,863,928	$ 859,766,739
Retirement and Group Insurance	62,036,148	68,077,754
Social Security and Benefit Replacement Pay	28,309,107	28,424,426
Subtotal, Employee Benefits	$ 90,345,255	$ 96,502,180

RECAPITULATION - ARTICLE VI
NATURAL RESOURCES
(All Funds)
(Continued)

Bond Debt Service Payments	5,822,370	7,057,755
Lease Payments	1,095,881	1,096,607
Subtotal, Debt Service	$ 6,918,251	$ 8,154,362
Less Interagency Contracts	$ 6,523,879	$ 5,037,059
TOTAL, ARTICLE VI - NATURAL RESOURCES	$ 991,603,555	$ 959,386,222
Number of Full-Time-Equivalent Positions (FTE)	8,589.8	8,590.1

ARTICLE VII

BUSINESS AND ECONOMIC DEVELOPMENT

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

TEXAS AEROSPACE COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EXPAND AEROSPACE INDUSTRY		
Maintain and expand aerospace industry resources, investment and jobs while enhancing business and public awareness and recognition of the space and aviation industries and their benefit to the people and economy of Texas.		
Outcome (Results/Impact):		
Number of New Jobs Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	1,450	1,600
Number of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	4	5
A.1.1. Strategy: ATTRACT AEROSPACE INDUSTRY	$ 1,250,000	$ 750,000
Work with industry, government and academe to attract aspects of space and aviation industry to Texas and to implement a plan to enhance the recognition of the industry in Texas.		
Output (Volume):		
Number of Business Opportunities Pursued	4	4
Number of Joint Projects with Other Entities	3	3
Number of Information Projects Completed	10	10
Efficiencies:		
Average Cost Per New Job Announced in the Aerospace Industry in Texas Attributed to the Activities of the Texas Aerospace Commission	100	100
Average Cost Per $1,000 in Value of Newly Created or Expanded Aerospace Facilities Announced in Texas Attributed to the Activities of the Texas Aerospace Commission	150	150
Explanatory:		
Number of Contacts with Industry and Government Entities To Affect Decisions to Base Aerospace Business Activity In Texas	280	310
Grand Total, TEXAS AEROSPACE COMMISSION	$ 1,250,000	$ 750,000
Number of Full-Time-Equivalent Positions (FTE):	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$75,000	$75,000

TEXAS AEROSPACE COMMISSION
(Continued)

1. **Unexpended Balances.** Any balances on hand as of August 31, 2001 are hereby appropriated to the Aerospace Commission for the fiscal year beginning September 1, 2001, for the purpose specified. In addition, any balances on hand as of August 31, 2002 are hereby appropriated to the Aerospace Commission for the fiscal year beginning September 1, 2002, for the purpose specified.

2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees collected from the sale of Aerospace Commission license plates as authorized by VTCA, Transportation Code, § 502.271, and generated by the agency, cover $12,688 of the cost of the general revenue appropriations made above for the strategy items in Goal A., Expand Aerospace Industry. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. All license plate fees deposited in excess of $12,688 per year are hereby appropriated for the 2002-03 biennium for the economic development of the aerospace industry consistent with the provisions of VTCA, Government Code § 482.003.

3. **Coordination of Spaceport Initiatives.** It is the intent of the Legislature that the Texas Aerospace Commission, the Texas Department of Economic Development, and the Texas Department of Transportation coordinate their efforts and spending related to establishing a reusable launch facility or Spaceport. These agencies shall develop, maintain, and adhere to a memorandum of understanding by January 1, 2002, that details the specific responsibilities of each agency and continues to provide interagency coordination and support to achieve the objective of establishing as Spaceport. Out of the amounts appropriated above in Strategy A.1.1, Attract Aerospace Industry, the sum of $1,574,370 in General Revenue is to be used by the Texas Aerospace Commission for the purpose of awarding grants or assisting with other proposal development costs to selected local Texas communities which may compete for the location of such a facility.

   Expenditures from the appropriations made above is conditioned upon the participation by the Comptroller of Public Account in the development of guidelines for the grant application process and contract awards as a means of assuring that all applicable state procurement laws and other processes are followed. The Comptroller shall provide assistance in the final grant or contract review and recommendation process and shall recommend other participants as may be required. All such grants or contracts shall be subject to approval by the Comptroller.

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: TOURISM Enhance the economic growth of Texas communities through tourism marketing and development.		
Outcome (Results/Impact):		
Number of Domestic Leisure Travelers to Texas (Millions)	120	121
A.1.1. Strategy: MARKET TEXAS TRAVEL Market and develop Texas as a premier leisure travel destination.	$ 19,100,592	$ 19,236,254

Output (Volume):		
Number of Consumer Inquiries Generated by Texas Department Economic Development Advertising	1,300,000	1,300,000
Number of Rural and Border Communities Assisted with Tourism Marketing, Development, and Research Assistance	300	320
Efficiencies:		
Return on Investment from State Funding for Tourism Promotion	10.7	10.7
B. Goal: BUSINESS DEVELOPMENT		
Enhance economic growth of Texas communities through business marketing and development.		
Outcome (Results/Impact):		
Percent of Rural Communities Assisted by TDED and TDA	85%	85%
Number of Job Opportunities Announced by Businesses That Receive TDED Assistance	27,691	29,318
Number of Actual Jobs Created by Businesses That Receive TDED Assistance	7,688	8,226
Percent of Available Empowerment Zone and Enterprise Community Grant Funds Drawn	89%	89%
Percentage of Smart Jobs Grants Allocated to Micro and Small Businesses	75.7%	75.7%
Percentage of Smart Jobs Participants Completing Training	75%	75%
B.1.1. Strategy: MARKET TEXAS	$ 3,091,758	$ 2,097,797
Market Texas as a globally competitive business location.		
Output (Volume):		
Number of International Trade Leads Generated through TDED-sponsored Activities	6,250	6,500
Number of Companies Participating in International Trade Events Organized or Sponsored by the Texas Department of Economic Development	130	130
Number of Out-of-state Businesses Developed as Recruitment Prospects	211	226
Number of Texas Businesses Developed as Expansion Prospects by TDED	239	256
Number of Rural Communities Assisted by TDED and TDA	350	375
Number of Economic Development Activities and Events Held By TDED and TDA to Provide Businesses in Rural Communities with Information and Assistance	25	30
Number of Rural Communities Assisted by TDA and TDED in Leveraging State and Federal Programs	130	140
B.1.2. Strategy: PROVIDE DATA	$ 900,418	$ 908,034
Provide economic and demographic data for the development of research, data, and information products that can be used to market and promote Texas as a business location.		
Output (Volume):		
Number of Completed Information Requests Answered by Toll-free Information Staff	24,000	24,000
Number of Internet User Sessions Where Procurement Information Is Sought or Posted through the Texas Marketplace System	692,120	761,332
B.2.1. Strategy: INCENTIVES AND TOOLS	$ 11,956,662	$ 6,661,805
Provide business incentives and economic development tools to assist businesses and communities to create and retain jobs.		
Output (Volume):		
Dollar Value of Private Capital Leveraged by Loans and Loan Guarantees	890	890
B.2.2. Strategy: WORKFORCE INCENTIVES	$ 52,077,047	$ 1,159,740
Provide workforce incentives to assist businesses and communities to create and retain jobs.		

Output (Volume):		
Number of Smart Jobs Participants Completing Training for New Jobs	4,120	8,177
Number of Companies Successfully Completing Smart Jobs Contracts	212	421
Efficiencies:		
Average Cost Per Smart Jobs Trainee Served	1,775	1,915
Explanatory:		
Number of Companies Applying for Smart Jobs Grants	595	600
Total, Goal B: BUSINESS DEVELOPMENT	$ 68,025,885	$ 10,827,376
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 1,914,455	$ 1,914,455
C.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	$ 400,887	$ 400,887
C.1.3. Strategy: OPERATING/SUPPORT	$ 387,279	$ 387,279
Total, Goal C: INDIRECT ADMINISTRATION	$ 2,702,621	$ 2,702,621
Grand Total, TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT	$ 89,829,098	$ 32,766,251
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 5,131,119	$ 4,146,111
Earned Federal Funds	178,173	178,173
GR - Hotel Occupancy Tax Deposits Account No. 5003	20,103,327	20,238,989
Subtotal, General Revenue Fund	$ 25,412,619	$ 24,563,273
GR Dedicated - Capital Access Account No. 5035	5,536,094	239,900
Department of Commerce Federal Fund No. 596	5,584,610	5,584,610
Other Funds		
Appropriated Receipts	423,748	423,748
Interagency Contracts	398,720	398,720
Texas Leverage Program Fund No. 851	56,000	56,000
Smart Jobs Fund	52,417,307	1,500,000
Subtotal, Other Funds	$ 53,295,775	$ 2,378,468
Total, Method of Financing	$ 89,829,098	$ 32,766,251
Number of Full-Time-Equivalent Positions (FTE):	178.5	178.5
Schedule of Exempt Positions:		
Executive Director, Group 4	$112,352	$112,352
Supplemental Appropriations Made in Riders:	$ 3,458,240	$ 1,315,500

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

the provisions of § 1232.103, Government Code. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Computer Equipment	$ 73,593	$ 73,593
Total, Capital Budget	$ 73,593	$ 73,593
Method of Financing (Capital Budget):		
Appropriated Receipts	$ 16,093	$ 16,093
Smart Jobs Fund	20,000	20,000
GR - Hotel Occupancy Tax Deposits Account No. 5003	37,500	37,500
Total, Method of Financing	$ 73,593	$ 73,593

2. **Appropriation: Texas Leverage Program Fund.** All balances on hand on August 31, 2001, estimated to be $1,842,740, interest paid, investment earnings, and fees received in the Texas Leverage Program Fund No. 851 during the 2002–03 biennium, are hereby appropriated to the Department of Economic Development for the biennium beginning September 1, 2001, for the purposes of implementation and administration of Chapter 481, Government Code relating to business development (estimated to be $1,243,000 in 2002 and $1,243,000 in 2003).

3. **Appropriation: Fees.** All fees that the Texas Department of Economic Development is authorized to collect are hereby appropriated for the specific purpose named in statute for the biennium beginning September 1, 2001.

4. **Appropriation: Texas Small Business Industrial Development Corporation.** The Texas Department of Economic Development shall review the financial statements of the Texas Small Business Industrial Development Corporation to determine the net earnings of the Corporation, and shall make such determination no later than January 1, 2002, and January 1, 2003. The Department shall ensure that the net earnings, of an amount not to exceed $75,000 shall be transferred to a special fund in the State Treasury during each fiscal year of the 2002–03 biennium to be used to finance activities of Strategy B.2.1, Incentives and Tools. Any net earnings in excess of $150,000 for the 2002–03 biennium shall be deposited into the General Revenue Fund and 25 percent of that amount over $150,000 is appropriated to Strategy B.2.1, Incentives and Tools, of the Department of Economic Development for administration of small and minority business finance programs.

5. **Administration: Foreign Offices.**

   a. It is the intent of the Legislature that the Texas Department of Economic Development provide services to develop trade investment and tourism in strategic world markets with specific emphasis to benefit small businesses in the State of Texas. Offices may be operated in Mexico and in other foreign markets including Canada, Europe, the Pacific Rim, and Latin America coinciding with market opportunities for Texas business. The offices shall be named the "State of Texas Office" and their services shall be available to other state agencies through interagency contracts. Foreign office trade investment and tourism development efforts, as well as location of the offices, shall be based on analysis of the current world market opportunities. The department shall expend funds for the Mexico

offices out of any funds available, but shall not expend any funds appropriated under this Act for any office or staff at any other foreign offices established by the department. The department may seek and use alternative funding sources other than funds appropriated under this Act for offices in locations other than Mexico City.

b. The Department of Economic Development shall maintain a tracking system that documents the direct benefits that result from the operation of each foreign office. The department shall utilize the tracking system to file a quarterly report with the Governor and the Legislative Budget Board regarding the activities of each office. The report shall contain, at a minimum, information detailing the number of contacts with foreign and domestic businesses, the name of each business, the nature of the contact, the results of each contact, and expenditures by each office. The report shall also contain the name of each Texas community assisted, and information regarding the nature and results of the assistance. Each report shall be submitted within 60 days of the end of each quarter, and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

6. **Unexpended Balance: Dedicated Hotel/Motel Tax Revenue.** Any unexpended balances as of August 31, 2002, in the appropriations of the amounts specified above in the method of financing out of the dedicated Hotel/Motel tax are hereby appropriated for fiscal year 2003 for the same purposes.

7. **Appropriation: Licensing and Merchandising Fees.** All fees that the Texas Department of Economic Development Tourism Division is authorized to collect pursuant to Texas Government Code § 481.021 (a) (7), estimated to be $35,000 per year, are hereby appropriated to the department for the biennium beginning September 1, 2001, to be used for tourism advertising and marketing activities of the department.

8. **Transfer: Promotion of Historical Sites.** From the amounts appropriated above in Strategy A.1.1, Market Texas Travel, the Texas Department of Economic Development, pursuant to Texas, Government Code § 481.172, shall transfer $300,000 during the biennium beginning September 1, 2001, to the Texas Historical Commission to encourage travel to the state's historical attractions.

9. **Contingency Appropriation: Business Assistance Programs.** The Texas Department of Economic Development is hereby appropriated out of the Rural Economic Development Account 425 an amount not to exceed $300,000 for the biennium beginning September 1, 2001, for the purpose of honoring guaranties against defaults for the Rural Economic Development Program.

   None of the funds appropriated above may be expended by the Department of Economic Development unless the Department of Economic Development Board files a finding of fact with the Governor's Office of Budget and Planning, Comptroller of Public Accounts, and the Legislative Budget Board, and neither office issues a written disapproval within 45 days of receipt of the finding of fact.

10. **Defense Infrastructure Support.** It is the intent of the Legislature that the Department of Economic Development prepare an annual Master Plan of how the department shall support the defense infrastructure of the Texas economy. The plan shall contain at a minimum, information detailing the department’s proactive strategy for providing support to the Texas defense industry, how the strategy will be implemented, what results shall be achieved and how shall the results be measured and evaluated. The plan shall be made available to the Legislature at the beginning of each fiscal year. In addition, the department shall prepare a quarterly statement detailing the economic impact of the defense industry (military and civilian) on the Texas economy.

11. **Capital Access Account 5035.** The appropriations above in the Capital Access Account 5035 includes all interest paid on money in the account, fees received during the 2002–03 biennium and all authorized earning from unexpended balances in the account, as authorized by VTCA, Government Code § 481.402, estimated to be $400,000 during 2002 for the purposes of implementation and administration of the Capital Access Program.

12. **Dedicated Hotel/Motel Tax Expenditures.** Of the amounts appropriated above out of the dedicated Hotel/Motel tax, the Department of Economic Development shall use no more than $5,255,016 in 2002 and $5,276,541 in 2003 for expenditures other than Advertising Services (Object Code 7281).

13. **Office or Rural Affairs Memorandum of Understanding.** Out of the General Revenue Funds appropriated above in Strategy, B.1.1, Market Texas, the amount of $53,153 in each fiscal year shall not be expended unless a Memorandum of Understanding has been signed by the Department of Agriculture and the Department of Economic Development for the purpose of maintaining a statewide economic development program for rural areas during the 2002–03 biennium. The Memorandum of Understanding, to be effective September 1, 2001, shall specify the duties and responsibilities of each agency, including joint reporting requirements for all program-related performance measures. A copy of the signed Memorandum of Understanding shall be sent to the Legislative Budget Board, the Governor's Office, and the Comptroller of Public Accounts.

    The Memorandum of Understanding shall also reflect the cooperative agreement to be reached by the two agencies regarding implementation of the Agritech Corridor Partnership.

    Contingent upon the award of additional federal funds in the amount of $250,000 to extend planning or implementation grant activities of the Agritech Corridor Partnership or a similar project, the following key measures are established and targets shall be set by the Texas Department of Agriculture, Texas Department of Economic Development, the Legislative Budget Board and the Governor's Office:

    Outcome: Annual percentage increase in value added processing output in the Agritech Corridor

    Output: Number of new sources of funding identified by the Texas Department of Agriculture and/or the Texas Department of Economic Development to help rural communities in the Agritech Corridor implement work plans

    Output: Number of non-agricultural economic diversification projects for the corridor initiated with assistance from the Texas Department of Agriculture and/or the Texas Department of Economic Development

    Output: Number of businesses developed as expansion/recruitment prospects in the Agritech Corridor

14. **Texas Capital Fund.** All grants awarded by the Texas Department of Economic Development for infrastructure development and real estate development under the federal Community Development Block Grant Program shall be approved by the governing board of the Texas Department of Economic Development with a priority on assisting manufacturers and value-added processors. To the greatest extent practicable, these funds are to be distributed equitably to all regions of this state.

15. **Appropriations Limited to Revenue Collections.** Fees collected from the sale of Department of Economic Development license plates as authorized by VTCA, Transportation Code, § 502.2733, estimated to be $37,500 per year are hereby appropriated to the Department

of Economic Development. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. All license plate fees deposited in excess of $37,500 per year are hereby appropriated for the 2002–03 biennium to the Department of Economic Development with the provisions of VTCA, Government Code § 481.172.

16. **Coordination of Spaceport Initiatives.** It is the intent of the Legislature that the Texas Aerospace Commission, the Texas Department of Economic Development, and the Texas Department of Transportation coordinate their efforts and spending related to establishing a reusable launch facility or Spaceport. These agencies shall develop, maintain, and adhere to a memorandum of understanding by January 1, 2002, that details the specific responsibilities of each agency and continues to provide interagency coordination and support to achieve the objective of establishing a Spaceport.

17. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Economic Development is limited to the following: Texas Strategic Military Planning Commission Advisory Committee.

18. **Community Development Grants.** Out of funds appropriated above to the department from Capital Access Account No. 5035, the department shall expend $250,000 per year to make grants to eligible community development financial institutions to make grants or loans in distressed areas of the state.

19. **Cash Flow Contingency.** Contingent upon the receipt of Hotel/Motel tax collections by the Comptroller of Public Accounts, the department may temporarily utilize additional Hotel/Motel allocations from the general revenue fund into Account 5003 in an amount not to exceed $2 million per fiscal year. These funds shall be utilized only for the purpose of temporary cash flow needs when expenditures for tourism marketing exceed monthly Hotel/Motel tax revenue received. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed by the department to the general fund on or before August 31 of each fiscal year.

20. **Unexpended Balances, Smart Jobs Fund.** Any unexpended balances as of August 31, 2002, in the appropriations of the amounts specified above in the method of financing out of the dedicated Smart Jobs Fund are hereby reappropriated for fiscal year 2003 for the same purposes.

21. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Texas Department of Economic Development are made contingent on the continuation of the Texas Department of Economic Development by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phaseout of agency operations and the transfer of agency programs to other agencies. Any funds and full-time-equivalent positions from the Texas Department of Economic Development are hereby appropriated to the following receiving agencies for the biennium beginning September 1, 2001:

Goal A - Tourism
Strategy A.1.1, Market Texas Travel - Office of the Governor
Goal B - Business Development
Strategy B.1.1, Market Texas - Office of the Governor

Strategy B.1.2, Provide Data - Comptroller of Public Accounts
Strategy B.2.1, Incentives and Tools - Office of Rural and Community Affairs*
Strategy B.2.2, Workforce Incentives - Texas Workforce Commission

Indirect administration and support costs shall be appropriately allocated and transferred with their corresponding strategies. The department shall notify the Legislative Budget Board and the Governor 30 days prior to the transfers. The notification shall identify funding amounts (including method of finance), affected strategies, riders, and capital budget authority. On the effective date of this Act, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds of the Texas Department of Economic Development that are used by that agency on the effective date of this Act are transferred to the designated agencies as listed above. All rules, policies, procedures, and decisions that affect the agency programs are continued in effect until superseded by a rule or other appropriate action by the designated agency listed above. Any action or proceeding before the Texas Department of Economic Development relating to its programs is to be transferred without change in status to the designated agency, and the designated agency assumes, without change in status, the position of the Texas Department of Economic Development in any action or proceeding relating to the programs to which the Texas Department of Economic Development is a party.

*The transfer to the Office of Rural and Community Affairs is contingent on the enactment of House Bill 7 or similar legislation. In the event House Bill 7 or similar legislation is not enacted, the transfer shall be made to the Office of the Governor.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: AFFORDABLE HOUSING To increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families.		
Outcome (Results/Impact):		
Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	1%	1%
Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	.7%	.7%
Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	1.7%	1.7%
Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	.5%	.5%
A.1.1. Strategy: HOUSING TRUST FUND	$ 6,369,862	$ 6,329,127
Provide state housing loans and grants through the Housing Trust Fund for very low and low income households.		
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefiting from Housing Trust Fund Loans and Grants	1,390	1,390
A.1.2. Strategy: HOME PROGRAM	$ 36,036,203	$ 36,002,999
Provide federal housing loans and grants through the HOME Investment Partnership (HOME)		

Program for very low and low income families, focusing on the construction of single family and multifamily housing units in rural areas of the state through partnerships with the private sector.		
Output (Volume):		
Projected Number of Very Low and Low Income Households Benefiting from HOME Investment Program Loans and Grants	2,106	2,106
A.1.3. Strategy: SECTION 8 RENTAL ASSISTANCE	$ 7,827,023	$ 7,830,398
Provide federal rental assistance through Section 8 certificates and vouchers for the very low income households.		
Output (Volume):		
Number of Very Low Income Households Receiving Section 8 Certificates and Vouchers	2,200	2,200
A.1.4. Strategy: FEDERAL TAX CREDITS	$ 1,309,438	$ 1,340,481
Provide federal tax credits to develop rental housing for very low and low income households.		
Output (Volume):		
Number of Rental Units Projected to Be Set Aside for Very Low and Low Income Households as a Result of Federal Tax Credits Provided through TDHCA	6,050	6,100
Explanatory:		
Number of Federal Tax Credit Allocations Made by TDHCA	60	65
A.1.5. Strategy: MRB PROGRAM - SINGLE FAMILY	$ 1,981,855	$ 1,759,733
Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.		
Output (Volume):		
Number of Very Low and Low Income Households That Received Loans through the MRB Program	1,190	1,260
Number of Moderate Income Households That Received Loans through the MRB Program	510	600
A.1.6. Strategy: MRB PROGRAM-MULTIFAMILY	$ 253,712	$ 256,884
Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, rehabilitation, construction and preservation of multifamily rental units for very low, low and moderate income families.		
Output (Volume):		
Number of Multifamily Rental Units Acquired, Rehabilitated, Constructed or Preserved through the MRB Program	1,100	1,100
Total, Goal A: AFFORDABLE HOUSING	$ 53,778,093	$ 53,519,622

B. Goal: COMMUNITY DEVELOPMENT

To better Texas communities by supporting community and economic development and by helping local governments to become more effective.

Outcome (Results/Impact):		
Percent of the Small Communities' Population Benefitting from Public Facility, Economic Development, Housing Assistance, and Planning Projects	33%	33%
Percent of CDBG-eligible Colonia Areas Receiving Technical Assistance from the Field Offices	100%	100%

B.1.1. Strategy: TRAIN LOCAL OFFICIALS	$ 310,274	$ 309,566
Administer a state program providing information, advice and training to officials of communities of less than 10,000 people.		
Output (Volume):		
Number of City and County Officials Trained	1,700	1,700
B.2.1. Strategy: DEVELOPMENT PROJECTS GRANTS	$ 84,306,263	$ 84,331,230
Maintain a competitive application process to distribute HUD federal funds that gives priority to basic human need projects (water, sewer, and housing), funds economic development projects that create or retain jobs, and provides ongoing technical assistance, monitoring and contract management to ensure that needs of persons to be served are met.		
Output (Volume):		
Number of New Community and Economic Development Contracts Awarded Annually	316	316
Number of Projected Beneficiaries from Community and Economic Development Projects - New Contracts Awarded Annually	450,000	450,000
Number of On-site Technical Assistance Visits Conducted Annually	400	400
Number of Programmatic Monitoring Visits Conducted Annually	300	300
B.2.2. Strategy: COLONIA SERVICE CENTERS	$ 559,665	$ 567,855
To provide technical assistance to colonias through field offices.		
Output (Volume):		
Number of On-site Technical Assistance Visits Conducted Annually from the Field Offices	410	410
Total, Goal B: COMMUNITY DEVELOPMENT	$ 85,176,202	$ 85,208,651

C. Goal: POOR AND HOMELESS PROGRAMS
Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.

Outcome (Results/Impact):		
Percent of Persons in Poverty That Received Homeless and Poverty Related Assistance	13.3%	13.3%
Percent of Very Low Income Households Receiving Energy Assistance	4.1%	4.1%
C.1.1. Strategy: POVERTY-RELATED FUNDS	$ 30,029,660	$ 29,988,992
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.		
Output (Volume):		
Number of Persons Assisted through Homeless and Poverty-related Funds	420,000	420,000
Number of Persons Assisted That Achieve Incomes above Poverty Level	650	650
Number of Shelters Assisted	60	60
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS	$ 34,708,504	$ 38,268,516
Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy-related emergencies.		

Output (Volume):		
Number of Households Assisted through the Comprehensive Energy Assistance Program	46,404	47,241
Number of Dwelling Units Weatherized by the Department	4,621	5,319
Total, Goal C: POOR AND HOMELESS PROGRAMS	$ 64,738,164	$ 68,257,508
D. Goal: ENSURE COMPLIANCE		
Ensure compliance with Texas Department of Housing and Community Affairs federal and state program mandates.		
Outcome (Results/Impact):		
Percent of Multifamily and/or Single Family Rental Properties Monitored Annually	100%	100%
Percent of Federally-funded Sub-recipients Monitored Annually	100%	100%
D.1.1. Strategy: REVIEW PROPERTY DOCUMENTS	$ 2,390,568	$ 1,947,926
To review housing property documents to ensure long-term affordability standards.		
Output (Volume):		
Number of On-site Reviews Conducted	597	628
Explanatory:		
Total Number of Units Administered	141,750	148,838
D.1.2. Strategy: REVIEW FINANCIAL DOCUMENTS	$ 899,313	$ 899,313
Review the financial documents of sub-recipients of federal and state grants/loans for financial accountability and fiscal responsibility.		
Output (Volume):		
Number of On-site Financial Reviews Conducted	644	644
Number of Single Audit Reviews Conducted	250	250
Explanatory:		
Number of Sub-recipients Funded by TDHCA	1,900	1,900
Total, Goal D: ENSURE COMPLIANCE	$ 3,289,881	$ 2,847,239
E. Goal: MANUFACTURED HOUSING		
To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.		
Outcome (Results/Impact):		
Percent of Consumer Complaint Inspections Conducted within 30 Days of Request	98%	98%
E.1.1. Strategy: TITLING AND LICENSING	$ 757,246	$ 766,969
Provide titling and licensing services in a timely and efficient manner.		
Output (Volume):		
Number of Manufactured Housing Titles Issued	120,000	120,000
Number of Licenses Issued	6,100	6,100
Explanatory:		
Number of Manufactured Homes Titled in Texas	800,000	850,000
E.1.2. Strategy: INSTALLATION INSPECTIONS	$ 1,751,131	$ 1,773,615
Conduct installation inspections of manufactured homes in a timely and efficient manner.		
Output (Volume):		
Number of Routine Installation Inspections Conducted	17,500	17,500
Explanatory:		
Number of Installation Reports Received	52,000	52,000
E.1.3. Strategy: ENFORCEMENT	$ 2,224,410	$ 2,252,970
To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.		
Output (Volume):		
Number of Complaints Resolved	2,000	2,000

Efficiencies:		
Average Number of Days for Complaint Resolution	220	220
Explanatory:		
Number of Jurisdictional Complaints Received	1,900	1,900
Total, Goal E: MANUFACTURED HOUSING	$ 4,732,787	$ 4,793,554
F. Goal: INDIRECT ADMIN AND SUPPORT COSTS		
Indirect administrative and support costs.		
F.1.1. Strategy: CENTRAL ADMINISTRATION	$ 5,966,871	$ 5,908,111
F.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	$ 1,163,650	$ 1,180,705
F.1.3. Strategy: OPERATING/SUPPORT	$ 584,481	$ 591,960
Total, Goal F: INDIRECT ADMIN AND SUPPORT COSTS	$ 7,715,002	$ 7,680,776
Grand Total, DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	$ 219,430,129	$ 222,307,350
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 10,806,458	$ 10,944,312
Earned Federal Funds	1,569,021	1,495,908
General Revenue (System Benefit Fund)	7,178,000	10,767,000
Subtotal, General Revenue Fund	$ 19,553,479	$ 23,207,220
Community Affairs Federal Fund No. 127	185,125,588	185,124,754
Other Funds		
Appropriated Receipts	13,251,062	12,475,376
Interagency Contracts	1,500,000	1,500,000
Subtotal, Other Funds	$ 14,751,062	$ 13,975,376
Total, Method of Financing	$ 219,430,129	$ 222,307,350
Number of Full-Time-Equivalent Positions (FTE):	374.0	374.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$112,352	$112,352
Supplemental Appropriations Made in Riders:	$ 300,000	$ 300,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
a. Acquisition of Information Resource Technologies		
(1) Normal Growth/Integrated Systems	730,158	555,764
(2) Compliance Monitoring Tracking System/Centralized Database	399,000	99,000
(3) Loan Production and Servicing Software	305,000	0
(4) Peoplesoft Accounting System	$ 180,000	$ 60,000
Total, Acquisition of Information Resource Technologies	$ 1,614,158	$ 714,764
Total, Capital Budget	$ 1,614,158	$ 714,764
Method of Financing (Capital Budget):		
General Revenue Fund	$ 285,046	$ 150,399
Community Affairs Federal Fund No. 127	124,921	109,669
Appropriated Receipts	1,159,718	415,393
Earned Federal Funds	44,473	39,303
Total, Method of Financing	$ 1,614,158	$ 714,764

2. **Reporting Requirements.** Within 90 days following the conclusion of a contract issued by the Texas Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.

3. **Housing Assistance.** The housing finance division shall adopt an annual goal to apply no less than $30,000,000 of the division's total housing funds toward housing assistance for individuals and families in which the annual family income does not exceed the following amounts based on the number of persons in the family:

Number of Persons in the family	Maximum annual Income
1 Person	$13,000
2 Persons	$16,000
3 Persons	$17,000
4 Persons	$19,000
5 Persons	$21,000

For each additional person add $1,500. No less than 20 percent of the division's total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.

4. **Coordination with Texas Water Development Board.** The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the

proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2002 and 2003. In distributing funds out of the Colonia Fund, the TDHCA shall provide top funding priority to those projects that are in EDAP-funded areas and which assist colonia residents who cannot afford the cost of service lines, hook-ups, and plumbing improvements associated with being connected to an EDAP-funded system. None of the funds appropriated above for Strategy B.2.1, Development Projects Grants, may be expended in EDAP-eligible counties that have not adopted, or are not enforcing, the Model Subdivision Rules established pursuant to § 16.343 of the Water Code. No later than September 15, 2002, the TDHCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts including an estimate of the amount each agency has saved by reduced duplication of efforts.

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

   Texas Weatherization Policy Advisory Council
   State Interagency Council for the Homeless
   Consolidated Plan/State Low Income Housing Plan Committee
   State Community Development Review Committee
   Colonia Residents Advisory Committee
   Colonia Advisory Committee

6. **Local Site Visits.** From monies appropriated above, when the Texas Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Texas Department of Housing and Community Affairs with the mayor or county judge or their designated representative shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Texas Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.

7. **Low/Moderate Income Housing Construction.** Out of the funds appropriated above, not less than $500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.

8. **Low Income Assistance: Scoring Criteria.** It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.

9. **Limitation on Expenditure.** Under Strategy A.1.4, Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:

   a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.

   b. The department shall inspect all construction for quality during the construction process while defects can reasonably be corrected.

   c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

   d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.

   e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.

10. **Appropriation: Manufactured Homeowner Consumer Claims.** In addition to appropriations in Goal E, Manufactured Housing, the Department of Housing and Community Affairs is appropriated an amount, not to exceed $50,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to VTCS, Article 5221f, from title transaction fees involving manufactured housing collected and deposited in the General Revenue Fund during the 2002–03 biennium.

11. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to VTCS, Article 5221f, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be $921,641 for fiscal year 2002 and $958,563 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

12. **Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs (TDHCA) shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least thirty percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at sixty percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at sixty percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.

13. **Conversions of Executory Contracts.** Out of the funds appropriated above, the department shall spend not less than $4,000,000 for the biennium for the sole purpose of contract

for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least 400 contract for deed conversions by August 31, 2003.

14. **Administrative Allocation: Councils of Governments.** From the federal administrative monies made available to the department under the Community Development Block Grant Program, an amount equal to 19 percent of such monies shall be allocated to councils of government to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor.

15. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from amounts appropriated out of the General Revenue Fund for Strategy A.1.1, Housing Trust Fund, estimated to be $250,000 each year, are hereby appropriated to the Housing Trust Fund established under § 2306.201, Government Code, to be used for the same purpose.

16. **Unexpended Balances, Grants, and Contracts.** Any unexpended general revenue balances remaining in Strategy A.1.1, Housing Trust Fund, as of August 31, 2001, are appropriated to the same strategy as of September 1, 2001. Any funds from grants or contracts executed before September 1, 2002, or from prior fiscal years from Strategy A.1.1, Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs that are not expended for the same purpose as of August 31, 2002, are appropriated to Strategy A.1.1, Housing Trust Fund, as of September 1, 2002, for the same purposes. Beginning September 1, 2002, any funds from grants or contracts executed before September 1, 2003, or from prior fiscal years from Strategy A.1.1, Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs are appropriated to Strategy A.1.1, Housing Trust Fund, for the same purposes.

17. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Texas Interagency Council for the Homeless and the Texas State Affordable Housing Corporation are made contingent on the continuation of the Texas Department of Housing and Community Affairs by the Legislature. In the event that the agency is not continued, the funds appropriated for the fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

18. **Colonia Advisory Committee.** Of the amounts appropriated above to the Department of Housing and Community Affairs in Strategy B.2.2. Colonia Service Centers, the amount of $6,000 in fiscal year 2002 and the amount of $6,000 in fiscal year 2003 is intended for the purpose of establishing a Colonia Advisory Committee to advise the Board on the needs of colonia residents and the effectiveness of the department's policies. The committee shall consist of one colonia resident, one representative of a nonprofit organization that serves colonia residents, one local government representative, one private-interest person in banking or land development, and one public member. All members would be appointed by the board and, with the exception of the public member, must reside within 150 miles of the Texas-Mexico border.

19. **Colonia Annual Assessment.** Of the amounts appropriated above to the Department of Housing and Community Affairs in Strategy B.2.2. Colonia Service Centers, the amount of $10,000 in fiscal year 2002 and the amount of $10,000 in fiscal year 2003 is intended for the purpose of developing an annual assessment of colonia resident needs and a biennial action plan to address the needs. The department shall collect information on the demand for contract for deed conversion, self-help housing, consumer education, and other colonia resident services in counties within 150 miles of the Texas-Mexico border. The Office of Colonia Initiatives should prepare a biennial action plan by January 1 of each fiscal year to list policy goals for its colonia programs, the strategies to meet the goals, and the expected outcomes.

20. **Contingent Revenue.** Of the amounts appropriated above to the Texas Department of Housing and Community Affairs in Strategy C.2.1. Energy Assistance Programs, the amounts of $7,178,000 in fiscal year 2002 and $10,767,000 in fiscal year 2003 in General Revenue (System Benefit Fund) are contingent on the Public Utility Commission's assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.

21. **Ex Parte Contacts.** The Texas Department of Housing and Community Affairs shall draft and implement formal rules by January 1, 2002, which prohibit members of the board from having any ex parte contacts with any individual or company who has applied to the department for assistance, except as specifically authorized by statute or rule.

24. **Bond Refinancing.** The department shall transfer any funds acquired through refinancing of bonds to the Housing Trust Fund. The first $3 million each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program.

25. **Colonia Set-Aside Program Allocation.** The Texas Department of Housing and Community Affairs shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, $2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by § 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code. The department by rule shall provide that an application for assistance under the program hereby authorized may be submitted after construction of the water supply or sewer service system begins. The department shall approve or disapprove a timely application before construction of the water supply or sewer service is completed in order to eliminate delay in connection once construction is completed. The department shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.

    In addition, the department shall allocate 2.5 percent of the CDBG monies to support the operation of Self-Help Owner-Builder Housing Programs. In operating the Self-Help Owner-Builder Housing Program, the department shall provide $2.5 million each year from any source available to the department except CDBG funds to fund the administration and operations of the Self-Help Owner Builder Housing Centers.

26. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Texas Department of Housing and Community Affairs are made contingent on the continuation of the Texas Department of Housing and Community Affairs by the Legislature. In the event the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phaseout of agency operations and the transfer of agency programs to other agencies. Any funds and full-time-equivalent positions from the Texas Department of Housing and Community Affairs are hereby appropriated to the following receiving agencies for the biennium beginning September 1, 2001:

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

Goal A - Affordable Housing
- Strategy A.1.1, Housing Trust Fund - Office of Rural and Community Affairs*
- Strategy A.1.2, HOME Program - Office of Rural and Community Affairs*
- Strategy A.1.3, Section 8 Rental Assistance - Health and Human Services Commission
- Strategy A.1.4, Federal Tax Credits - Bond Review Board
- Strategy A.1.5, MRB Program, Single Family - Bond Review Board
- Strategy A.1.6, MRB Program, Multifamily - Bond Review Board

Goal B - Community Development
- All Strategies - Office of Rural and Community Affairs*

Goal C - Poor and Homeless Programs
- All Strategies - Office of Rural and Community Affairs*

Goal D - Ensure Compliance
- All Strategies - Bond Review Board

Goal E - Manufactured Housing
- All Strategies - Department of Licensing and Regulation

Indirect administration and support costs shall be appropriately allocated and transferred with their corresponding strategies. The department shall notify the Legislative Budget Board and the Governor 30 days prior to the transfers. The notification shall identify funding amounts (including method of finance), affected strategies, riders, and capital budget authority. On the effective date of this Act, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds of the Texas Department of Housing and Community Affairs that are used by that agency on the effective date of this Act are transferred to the designated agencies as listed above. All rules, policies, procedures, and decisions that affect the agency programs are continued in effect until superseded by a rule or other appropriate action by the designated agency listed above. Any action or proceeding before the Texas Department of Housing and Community Affairs relating to its programs is to be transferred without change in status to the designated agency, and the designated agency assumes, without change in status, the position of the Texas Department of Housing and Community Affairs in any action or proceeding relating to the programs to which the Texas Department Housing and Community Affairs is a party.

*Transfers to the Office of Rural and Community Affairs is contingent on the enactment of House Bill 7 or similar legislation. In the event House Bill 7 or similar legislation is not enacted, the transfer shall be made to the Office of the Governor.

TEXAS LOTTERY COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: OPERATE LOTTERY Efficiently operate a lottery that is self-supporting, revenue producing, and secure.		
Outcome (Results/Impact):		
Percent of Retailers Satisfied with Lottery Commission	80%	80%
State Revenue Received Per Advertising Dollar Expended	32	33

TEXAS LOTTERY COMMISSION
(Continued)

A.1.1. Strategy: LOTTERY OPERATIONS	$	120,362,299	$	118,263,365
License lottery retailers, maintain and monitor retailer accounts and collections; ensure vendor and retailer compliance with contracts and policies, and operate 24 claim centers; oversee payments on contracts to primary vendors for instant ticket manufacturing, vending machines, warehousing and distribution of instant scratch off tickets and other lottery retailing services.				
Output (Volume):				
Number of Retailer Business Locations Licensed		18,000		18,000
Efficiencies:				
Average Cost Per Retailer Location License Issued		127		134
A.1.2. Strategy: MARKETING, RESEARCH, AND PROMOTION	$	9,551,658	$	10,357,635
Determine the interests, opinions, awareness levels and purchase behaviors of adult Texans for the planning, development and implementation of effective games; educate players and provide opportunities to learn about lottery products; broadcast lottery drawings to ensure the integrity of the lottery's numbers games; communicate game information, marketing ideas and operational information to lottery retailers; recruit new retailers; measure retailer satisfaction with lottery operations and service.				
Output (Volume):				
Number of Surveys Issued to Retailers		76,099		76,099
Efficiencies:				
Average Cost Per Survey Issued		3.3		3.3
A.1.3. Strategy: ADVERTISING	$	35,000,000	$	35,000,000
Inform adult Texans by mass media (television, radio, newspaper, billboards), point-of-sale materials and merchandising regarding lottery games; provide consumers and retailers with notice of end-of-game dates; provide information regarding procurement opportunities for minority vendors.				
Output (Volume):				
Dollar Amount of Advertising Budget Spent on Television (Millions)		14,700,000		14,700,000
Efficiencies:				
Percentage of Adult Texans Aware of Lottery Advertising		60%		60%
A.1.4. Strategy: SECURITY	$	3,971,322	$	3,732,280
Protect and maintain the security and integrity of lottery games, systems and drawings; assure the physical security of all Commission operating sites; and investigate possible criminal and regulatory violations.				
Output (Volume):				
Number of Lottery Complaints Resolved		550		550
Efficiencies:				
Average Cost Per Complaint Resolved		135		135

A.1.5. Strategy: CENTRAL ADMINISTRATION Execute and support all functions of the Texas Lottery Commission through executive management, accounting, systems administration, information systems support, communications, legal services, purchasing support, budgeting and human resources.	$ 11,692,627	$ 11,491,075
Total, Goal A: OPERATE LOTTERY	$ 180,577,906	$ 178,844,355
B. Goal: ENFORCE BINGO LAWS Enforce regulations to ensure the fair conducting of bingo games to maximize distributions to authorized charities.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	10%	10%
B.1.1. Strategy: BINGO LAW ENFORCEMENT Conduct inspections and compliance audits of bingo licensees, initiate sanctions, and increase employee and licensee understanding of bingo laws through training and public education.	$ 1,645,165	$ 1,645,165
Output (Volume):		
Number of Bingo Complaints Resolved	342	342
Efficiencies:		
Average Cost Per Complaint Resolved	120	120
B.2.1. Strategy: BINGO LICENSING Process bingo applications in a timely manner and ensure eligibility of bingo applicants.	$ 1,140,832	$ 1,140,832
Output (Volume):		
Number of Licenses Renewed to Individuals and Organizations	2,000	2,000
Efficiencies:		
Average Cost Per Original License Issued	900	900
Total, Goal B: ENFORCE BINGO LAWS	$ 2,785,997	$ 2,785,997
Grand Total, TEXAS LOTTERY COMMISSION	$ 183,363,903	$ 181,630,352
Method of Financing:		
General Revenue Fund	$ 2,785,997	$ 2,785,997
GR Dedicated - Lottery Account No. 5025	180,577,906	178,844,355
Total, Method of Financing	$ 183,363,903	$ 181,630,352
Number of Full-Time-Equivalent Positions (FTE):	335.0	335.0
Schedule of Exempt Positions:		
Executive Director, Group 5	$110,000	$110,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the

purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Headquarters and Field Offices	$ 120,000	$ 120,000
b. Acquisition of Information Resource Technologies		
(1) Lottery System Hardware and Software	1,249,200	1,095,000
(2) Bingo System Hardware and Software	60,000	60,000
Total, Acquisition of Information Resource Technologies	$ 1,309,200	$ 1,155,000
c. Transportation Items		
(1) Security Vans and Equipment	0	30,000
d. Acquisition of Capital Equipment and Items		
(1) Other Capitalized Equipment	1,698,000	100,000
Total, Capital Budget	$ 3,127,200	$ 1,405,000
Method of Financing (Capital Budget):		
General Revenue Fund	$ 60,000	$ 60,000
GR Dedicated - Lottery Account No. 5025	3,067,200	1,345,000
Total, Method of Financing	$ 3,127,200	$ 1,405,000

2. **Appropriation, Operate Lottery.** Pursuant to Government Code, Chapter 466, appropriations made to Goal A, Operate Lottery, shall not exceed twelve percent of the gross revenue from the sale of lottery tickets. This appropriation shall be used for the administration of the lottery and for retailer commissions.

3. **Appropriation, Payment of Prizes.** In addition to the amounts appropriated above for the administration of the Lottery and retailer commissions, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, sufficient funds for the payment of prizes to the holders of winning tickets.

4. **Appropriation of Increased Revenues.** In addition to the amounts appropriated above, there is hereby appropriated pursuant to Government Code, Chapter 466, out of the State Lottery Account in the General Revenue Fund, an amount equal to 5 percent of the amount by which gross sales exceed $2.603 billion in fiscal year 2002 and $2.577 billion in fiscal year 2003 for the purpose of paying retailer commissions; and, there is hereby appropriated an amount equal to 3.67 percent of the amount by which gross sales exceed $2.603 billion in fiscal year 2002 and an amount equal to the percentage contained in the contract to operate the lottery between the Lottery Commission and the lottery operator and an additional percentage adequate to pay instant ticket vendor obligations for fiscal year 2003 times the amount by which gross sales exceed $2.577 billion in fiscal year 2003 for the purpose of fulfilling contractual obligations in administration of the Lottery.

5. **Compulsive Gambling Helpline.** Out of funds appropriated above in Strategy A.1.1, Lottery Operations, $375,000 for each year of the biennium may be expended only for the purpose of offering assistance to compulsive gamblers to be provided by the Texas Commission on Alcohol and Drug Abuse through an interagency contract agreement.

6. **Limitation on Transfer Authority.** Funds appropriated above in Strategy A.1.3, Advertising, may be transferred into other items in the Lottery Commission appropriations, but none of the funds appropriated in other items may be transferred into Strategy A.1.3, Advertising.

7. **Limitation, Pooled Reserve Fund.** Pursuant to Government Code, Chapter 466, the Executive Director of the Texas Lottery Commission shall maintain balances in a pooled reserve fund to cover the potential loss of state revenue as a result of lottery retailer defaults. The Executive Director of the Texas Lottery Commission shall transfer all pooled reserve fund revenues and balances that exceed $5 million to the Foundation School Fund No. 193 quarterly.

8. **Limitation: Out-of-Country, Out-of-State and In-State Travel.** Notwithstanding any other provisions included in this Act, it is the intent of the Legislature that the Texas Lottery Commission shall not be allowed to travel out-of-country, with the exception of travel to Mexico or Canada which is reimbursable by a third party. In addition, the Texas Lottery Commission shall not exceed amounts expended on out-of-state or in-state travel, for each fiscal year of the biennium, by an amount equal to 80 percent of travel expenditure amounts for fiscal year 1998.

9. **Appropriation, Local Bingo Prize Fees.** Out of bingo prize fees collected pursuant to the Texas Occupations Code, Chapter 2001, § 2001.504, the commission is hereby appropriated amounts for allocation to counties and municipalities as required by the Texas Occupations Code, Chapter 2001, § 2001.503.

10. **Appropriation, Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the operation of charity bingo cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal B, Enforce Bingo Laws, as well as the “other direct and indirect costs” associated with this goal, appropriated elsewhere in this Act. “Other direct and indirect costs” for Goal B, Enforce Bingo Laws, are estimated to be $519,154 for fiscal year 2002 and $545,125 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

11. **Petty Cash Fund Authorized.** The Texas Lottery Commission is authorized to establish a petty cash fund to be used by Commission employees for the purchase of evidence and/or information and other expenses deemed necessary for agency security and enforcement activities, including audits and expenses, incurred by auditing. The petty cash fund, not to exceed $1,500, may be maintained in cash or at a local bank and shall be subject to such rules and regulations as the Executive Director may recommend and the Commission may adopt.

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

TEXAS LOTTERY COMMISSION
(Continued)

13. **Media and Lottery Advertising Practices Review.** The Council on Competitive Government shall evaluate the commission's policies, practices, and procedures regarding public information, media, and lottery advertising and make recommendations for cost-savings practices, increased efficiencies, and effectiveness. The commission is responsible for reimbursing the council for expenses incurred and agreed upon through an interagency contract in this study which the council shall submit to the Governor and Legislative Budget Board not later than January 15, 2002.

DEPARTMENT OF TRANSPORTATION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: TRANSPORTATION SERVICES & SYSTEMS		
To provide the State of Texas with transportation services and systems that: work together; are safe, comfortable, durable, and affordable; are environmentally sensitive; and support economic and social prosperity.		
Outcome (Results/Impact):		
Percent of State Highway System Mainlane Pavement Mileage Rated Good or Better Based on the Pavement Management Information System Condition Score	86%	86%
Percent of Airport Needs Funded	47%	47%
Percent Change in the Number of Public Transportation Trips	1.5%	1.5%
Percent of Motor Vehicle Consumer Complaints Resolved	68%	68%
Statewide Traffic Accident Fatality Rate (Deaths Per Million Miles Driven)	1.8	1.8
Auto Theft Rate (Vehicles Per 100,000 Population)	457.2	431.6
A.1.1. Strategy: PLAN / DESIGN / MANAGE	$ 520,362,619	$ 554,054,345
Plan, design and manage highway projects.		
Output (Volume):		
Number of Construction Project Preliminary Engineering Plans Completed	1,175	1,192
Dollar Volume of Construction Contracts Awarded in Fiscal Year (in Millions)	2,788	2,792
Number of Highway Construction Contracts Awarded	1,135	1,140
A.1.2. Strategy: RIGHT-OF-WAY ACQUISITION	$ 226,694,873	$ 226,694,874
Optimize timing of highway right-of-way acquisition and utility adjustment.		
Output (Volume):		
Number of Parcels of Right-of-way Acquired on Schedule to Meet Contract Letting	1,870	1,900
A.1.3. Strategy: HIGHWAY CONSTRUCTION	$ 2,910,426,817	$ 2,973,548,735 & UB
Contract for the construction of the highway system and facilities. Estimated.		
Output (Volume):		
Number of New Location Lane Miles Contracted	216	221
Number of Lane Miles Contracted to Increase Capacity	1,252	1,273
Number of Lane Miles Contracted for Rehabilitation	7,873	8,008
A.1.4. Strategy: CONTRACTED MAINTENANCE	$ 514,381,947	$ 566,754,733 & UB
Contract for highway maintenance program.		
Output (Volume):		
Number of Lane Miles Contracted for Asphaltic Seal Coat Surfacing	12,000	13,094
Number of Lane Miles Contracted for Asphaltic Concrete Pavement Overlay	3,458	3,756

A.1.5. Strategy: ROUTINE MAINTENANCE	$ 438,609,140	$ 451,261,119 & UB
Provide for routine maintenance and operation of the state highway system.		
Output (Volume):		
Number of Highway Lane-miles Resurfaced with Seal-coat	3,444	3,515
Number of Lane Miles Resurfaced with Overlays	3,898	3,885
A.1.6. Strategy: AVIATION SERVICES	$ 61,790,507	$ 61,851,652 & UB
Support and promote general aviation.		
Output (Volume):		
Number of Airports Selected for Financial Assistance	165	165
Efficiencies:		
Administrative and Support Costs as a Percent of Facility Grant Funds Expended	4%	4%
A.1.7. Strategy: PUBLIC TRANSPORTATION	$ 88,504,712	$ 11,260,702 & UB
Support and promote public transportation.		
Efficiencies:		
Administrative and Support Costs as Percent of State and Federal Grant Funds Expended	3.2%	3.2%
A.1.8. Strategy: GULF WATERWAY	$ 984,207	$ 832,820 & UB
Support the Gulf Intracoastal Waterway.		
A.1.9. Strategy: FERRY SYSTEM	$ 11,994,982	$ 10,212,522
Maintain and operate ferry systems in Texas.		
A.1.10. Strategy: REGISTRATION & TITLING	$ 68,691,836	$ 65,891,947
Administer the provisions of the motor vehicle registration and titling statutes.		
Output (Volume):		
Number of Registration Renewal Notices Mailed	17,620,421	18,200,278
Number of Vehicle Titles Issued	9,566,021	10,264,340
A.1.11. Strategy: VEHICLE DEALER REGULATION	$ 4,090,895	$ 4,120,025
Administer the provisions of the Texas Motor Vehicle Commission Code.		
Efficiencies:		
Average Number of Weeks for Complaint Resolution	21	21
A.1.12. Strategy: RESEARCH	$ 19,540,372	$ 21,526,735
Fund and participate with state-supported colleges and universities in research and development programs that can improve transportation operations.		
Efficiencies:		
Percent of Structure Research Recommendations Implemented	63%	63%
Percent of Pavement Design Research Recommendations Implemented	65%	65%
Percent of Traffic Operations Research Recommendations Implemented	80%	80%
Percent of NAFTA-related Research Recommendations Implemented	63%	63%
A.2.1. Strategy: TRAFFIC SAFETY	$ 19,278,881	$ 15,999,154 & UB
Identify problem areas and implement projects to reduce the number and severity of traffic accidents through the statewide traffic safety program.		
A.2.2. Strategy: TRAVEL INFORMATION	$ 18,882,027	$ 19,071,395
Support and promote tourism.		
A.3.1. Strategy: ADVERTISING / JUNKYARDS	$ 573,133	$ 584,703
Control the use of outdoor advertising signs, junkyards, and auto graveyards adjacent to transportation system.		

A.4.1. Strategy: AUTO THEFT PREVENTION	$ 15,364,000	$ 15,626,000 & UB
Reduce the incidence of vehicle theft in Texas through prevention efforts and the support of motor vehicle theft laws.		
Efficiencies:		
Administrative and Support Costs for ATPA as a Percentage of Total Expenditures	6.3%	6.2%
Total, Goal A: TRANSPORTATION SERVICES & SYSTEMS	$ 4,920,170,948	$ 4,999,291,461
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: CENTRAL ADMINISTRATION	$ 35,636,118	$ 36,682,569
B.1.2. Strategy: INFORMATION RESOURCES	$ 28,637,873	$ 29,766,429
B.1.3. Strategy: OTHER SUPPORT SERVICES	$ 39,692,307	$ 37,125,242
B.1.4. Strategy: REGIONAL ADMINISTRATION	$ 56,447,668	$ 64,830,926
Total, Goal B: INDIRECT ADMINISTRATION	$ 160,413,966	$ 168,405,166
Grand Total, DEPARTMENT OF TRANSPORTATION	$ 5,080,584,914	$ 5,167,696,627
Method of Financing:		
General Revenue Fund	$ 34,416,291	$ 17,013,291
General Revenue Fund - Dedicated		
Texas Highway Beautification Account No. 071	573,133	584,703
TXDOT Turnpike Authority Account No. 5038	2,300,000	0
Subtotal, General Revenue Fund - Dedicated	$ 2,873,133	$ 584,703
Federal Funds	2,365,208,682	2,298,993,029
Other Funds		
State Highway Fund No. 006, estimated	2,677,276,808	2,850,295,604
Appropriated Receipts	310,000	310,000
Interagency Contracts	500,000	500,000
Subtotal, Other Funds	$ 2,678,086,808	$ 2,851,105,604
Total, Method of Financing	$ 5,080,584,914	$ 5,167,696,627
Number of Full-Time-Equivalent Positions (FTE):	14,726.0	14,726.0
Schedule of Exempt Positions:		
Executive Director, Group 6	$155,000	$155,000
Commissioner	(3) 15,914	(3) 15,914
Supplemental Appropriations Made in Riders:	$ 100,820,000	$ 35,000

1. **Capital Budget.** Notwithstanding the capital budget provisions in the General Provisions of this act, none of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. No additional funds may be transferred to the capital budget items listed below without first obtaining written approval from the Legislative Budget Board and the Governor. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items

with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the State Highway Fund No. 006:		
a. Acquisition of Land and Other Real Property	$ 870,000	$ 600,000 & UB
b. Construction of Buildings and Facilities	14,955,000	14,086,509 & UB
c. Repair or Rehabilitation of Buildings and Facilities	8,642,100	4,498,000 & UB
d. Acquisition of Information Resource Technologies	39,197,230	37,178,880 & UB
e. Transportation Items	22,540,469	22,916,116 & UB
f. Acquisition of Capital Equipment and Items	13,654,067	16,696,228 & UB
Total, Capital Budget	$ 99,858,866	$ 95,975,733

2. **Use of Previous Fiscal Year Funds.** It is the intent of the Legislature that funds authorized for capitalized equipment in the first year of a biennium may be carried over to the next fiscal year for procurement contracts that were properly encumbered during the fiscal year, but because of extenuating circumstances, the contract was voided before the end of the fiscal year.

3. **Transfer Authority.** The Department of Transportation is hereby authorized to transfer appropriations from any Strategy into Strategy A.1.4, Contracted Maintenance, Strategy A.1.2, Right-of-Way Acquisition, and Strategy A.1.3, Highway Construction. In addition, funds may be transferred between Strategies, except that no funds may be transferred out of Strategies A.1.4, Contracted Maintenance, or A.1.2, Right-of-Way Acquisition, or A.1.3, Highway Construction, except that transfers may be made between those Strategies.

4. **Public Transportation Financing.** Funds appropriated above to Strategy A.1.7, Public Transportation include $37,272,464 for the biennium from State Highway Fund 006 and $17,665,000 in general revenue and $1,000,000 out of oil overcharge funds. Of such funds, $25,354,169 shall be allocated to Section 5311 rural transportation contractors and $9,036,860 shall be allocated to Section 5307 urban public transportation contractors, and shall be exempt from the formula provisions provided by Chapter 456 of the Transportation Code or similar legislation.

5. **Magazine Appropriations.** The Department of Transportation Commission is directed to set subscription rates and other charges for Texas Highways Magazine at a level that will generate

receipts approximately sufficient to cover the costs incurred in the production and distribution of the magazine. In addition to funds appropriated above, the department is hereby appropriated to Strategy A.2.2, Travel Information, any magazine revenues generated above $5,647,270 for the 2002 fiscal year and $5,662,987 for the 2003 fiscal year. Funds may be utilized only for the purpose of magazine costs. The Department of Transportation may transfer to Strategy A.2.2., from revenue available from prior years subscription fees, in the event of unforeseen or unusual expenditures associated with the production costs of the Texas Highways Magazine. The Department of Transportation is hereby appropriated all revenue collected from the sale of promotional items as authorized by VACS, Article 6144e.

6. **Road Utility District Provision.** The Comptroller of Public Accounts is authorized to transfer to State Highway Fund No. 006 all receipts deposited in the General Revenue Fund pursuant to VTCA, Transportation Code, § 441.011. Such funds are hereby appropriated for the biennium beginning with the effective date of this act for the purpose of defraying the costs of hearing and processing Road Utility District petitions. Any balance remaining after defraying such costs may be used by the department for the maintenance and construction of highways.

7. **Hourly Wage Rates.** The Department of Transportation Commission is expressly authorized to determine the wage rates paid to hourly employees subject to the qualifications provided hereinafter; provided, however, that it is the intent of the Legislature that the commission, in carrying out its employee compensation policy, shall provide for a merit wage increase program for the department's hourly paid employees comparable to that authorized for its classified employees as provided by the General Provisions of this Act. It is provided further that it is the intent of the Legislature that such merit wage increase program for hourly paid employees be administered uniformly throughout the department, statewide, and as between administrative districts, and not be superseded by district administrative policy interpretation. In expending the funds appropriated herein, the department may award merit raises in varying amounts according to the nature of work performed or the job title held, provided such merit raises do not exceed the top step for a particular job as determined by the department.

8. **Holiday Pay Provision.** Notwithstanding other provisions of this bill, the Department of Transportation is authorized to grant compensatory time off or to pay hourly employees for work performed on official state holidays in addition to any applicable holiday pay.

9. **Compensatory Pay Provision.** In order to operate in the most economical manner, when inclement weather or other circumstances beyond the control of the department prevent construction or maintenance employees from performing their normal duties, the Department of Transportation is authorized to grant such employees time off with pay with the hours charged to the Compensatory Time Taken Account, provided that such advanced time must be repaid by the employee at a time, and in the most appropriate manner as determined by the department within the following twelve months or at termination, whichever is sooner.

10. **Standby Pay.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay compensation for on-call time at the following rates: credit for one hour worked per day on-call during the normal work week, and two hours worked per day on-call during weekends and holidays; this credit would be in addition to actual hours worked during normal duty hours or while on-call. Nonexempt employees who work a normal 40 hour work week, and also work on-call duty, will receive FLSA overtime rates for the on-call duty.

11. **Pay for Regular Compensatory Time.** It is expressly provided that the Department of Transportation, to the extent permitted by law, may pay FLSA exempt and FLSA nonexempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

12. **Underwater Bridge Inspections.** To more adequately compensate employees who perform hazardous duties for the state, the Department of Transportation is authorized to compensate employees who perform underwater bridge inspections an additional rate of pay of up to $25 per hour for actual time spent performing underwater bridge inspections.

13. **Equal Employment.** To the maximum extent feasible, the department shall implement its Equal Employment Opportunity Plan to hire and promote qualified minority employees into vacant supervisory and management positions.

14. **Workers' Compensation Insurance.** Any necessary amounts appropriated above may be used to pay all expenses as authorized by VTCA, Transportation Code, § 201.106. The department is expressly authorized to employ a sufficient number of employees necessary to carry out the terms and provisions of said Act.

15. **Limitation on Residences.** None of the funds appropriated herein above may be expended for the purchase, construction, or maintenance of residences for employees of the Department of Transportation except maintenance camps in isolated areas and bridge tenders' buildings.

16. **Court Costs.** Any necessary amounts appropriated above may be used by the Department of Transportation to pay refunds authorized by law, and to pay court costs in suits involving the Department of Transportation. Such costs shall include payments for judgments, settlements, and other costs associated with right-of-way acquisition and inverse condemnation.

17. **License Plate Contracts.** Any necessary amounts appropriated above may be used by the Department of Transportation to reimburse the Department of Criminal Justice for the cost of manufacturing motor vehicle license plates, and the Department of Criminal Justice shall be reimbursed as license plates are delivered and invoices are rendered to the department. At the time manufacture is started, the General Services Commission shall fix a price to be paid per license plate, and shall use as the basis for such price the costs of steel, paints and other material purchased, and the inmate maintenance cost per day, and overhead expense, and miscellaneous charges, and the amount of profit previously approved for such work.

18. **Appropriation Balances.** Any unobligated balance remaining after the first year of the biennium in Strategy A.1.10, Registration and Titling, above for the purpose of purchasing vehicle license plates and vehicle registration validation stickers, and enhancing the automated registration and titling system in accordance with House Bill 3014, Seventy-sixth Regular Session, may be used for the same purpose during the second year of the biennium.

19. **Payment of Fuel Taxes.** The Department of Transportation is authorized to pay directly to the Comptroller of Public Accounts, out of funds appropriated for operations and maintenance, any fuel taxes as required by law.

20. **Internal Audit.** The Department of Transportation shall maintain an internal auditing program in compliance with the provisions the Texas Internal Auditing Act, which shall incorporate, at a minimum, the assignment of an internal auditor at each district office and within each division of the department. Each internal auditor assigned pursuant to this provision shall report either directly to the Commissioners of the Department of Transportation or to the internal auditor appointed pursuant to § 2102.006, Government Code.

    An internal auditor whose duty station is assigned pursuant to this provision may consider suggestions from a District Engineer in developing proposals for the department's annual audit plan.

21. **Minimum Wage Contracts.** In contracting for maintenance and construction contract work with the private sector, the Department of Transportation shall require that contractors and

subcontractors are paying all employees and contract labor at a rate at least equal to the federal minimum wage. The department shall withhold payments to contractors until their contractual obligations for paying employees and the contract labor have been fulfilled.

22. **Gross Weight and Axle Weight Fees.** Amounts collected from gross weight and axle weight fees are appropriated for distribution to counties as provided in VTCA, Transportation Code, § 621.353. All unexpended balances as of August 31, 2001, and all revenue received during the 2002–03 biennium are appropriated.

23. **Appropriation of Loan Fund Balances.** Any balances, from the General Revenue Fund as of August 31, 2001 (estimated to be $385,000), and revenues accruing (estimated to be $70,000) to the department's special aviation loan fund are hereby appropriated for the same purpose for the biennium beginning September 1, 2001.

24. **Appropriation: Grant Funds.** Any balances, from State Highway Fund 006 (estimated to be $10,000,000) remaining as of August 31, 2001, of appropriations made to the department for airport development grants in House Bill No. 1, Acts of the Seventy-sixth Legislature, Regular Session, 1999, are appropriated for the same purpose for the biennium beginning September 1, 2001.

25. **Transportation Fee Rates.** The Texas Department of Transportation shall maintain rules providing for the following transportation fees at the rates specified to defray a portion of the state's cost of registering "For Hire" Ground Transportation:

Vehicle Registration Fee	$ 10.00
Specialized Motor Carrier	$ 100.00
Insurance Filing Fee, per carrier	$ 100.00
International Stamps, per trip/per vehicle	$ 10.00

All fee collections are to be deposited into the General Revenue Fund.

26. **International Stamp Fees.** It is the intent of the Legislature that the Texas Department of Transportation shall collect the International Stamp Fees specified in Rider No. 25 above in a uniform, consistent and equitable manner at all points of entry along the Texas and Mexico border. All fee collections are to be deposited in the General Revenue Fund.

    Only if an insurance agent elects to file evidence of a master liability policy under which temporary insurance policies are issued, or to issue temporary insurance, may the department require an insurance agent to obtain international registration stamps as provided by department rules.

27. **Appropriation: Motor Carrier Audit Fees.** The Texas Department of Transportation, under the provisions of Transportation Code, Chapters 643 and 645, may bill out-of-state trucking firms for all expenses relative to conducting motor carrier registration and insurance compliance audits. All audit proceeds are hereby appropriated to the Texas Department of Transportation and may be expended for the associated expenses in conducting audits. Employees performing out of state audits are authorized actual reimbursement of travel expenses.

28. **Tow Truck Registration.** Out of the funds appropriated above in Strategy A.1.10, Registration and Titling, and pursuant to Transportation Code § 643.053, $310,000 in fiscal year 2002 and $310,000 in fiscal year 2003, from appropriated receipts, shall be used for the administration of the tow truck registration program.

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

    Bicycle Advisory Committee
    Aviation Advisory Committee
    Public Transportation Advisory Committee
    Port Authority Advisory Committee

30. **Interagency Agreements.** Out of funds appropriated in Strategy A.2.2, Travel Information, $670,000 through interagency contracts with the Commission on the Arts and $500,000 through interagency contracts with the Texas Historical Commission each fiscal year, shall be used to showcase the arts, culture, and historical diversity in Texas to promote tourism.

31. **Project Status.** The Department of Transportation shall provide to each member of the House and Senate, unless a member requests it not be provided, a status report on all highway construction projects, by legislative district, currently under contract or awaiting funding. The report shall include projects that would be funded fully or in part by state, federal, or toll funds. The report shall be filed prior to January 1, each fiscal year. In addition, 90 days prior to any loan being granted by the department for any project, all members of the district shall be notified on the status of the project and how other projects in any district would be affected.

32. **Trust Fund 927.** The Department of Transportation is hereby authorized to receive and hold funds in Trust Fund 927 (county or political subdivision road participation account) from governmental and private entities for purposes of reimbursing Highway Fund 006 for expenses incurred with transportation projects, including highway and aviation.

33. **State Highway Fund Reimbursement.** To the extent that funds are made available from local governments under Transportation Code 22.055(b), the department is hereby appropriated amounts as necessary from State Highway Fund 006 for purposes authorized by Chapter 22 of the Texas Transportation Code. Funds made available to the department under Transportation Code 22.055(b) are to be used only for the purpose of reimbursing State Highway Fund 006.

34. **District Discretionary Funds.** Out of the funds appropriated above in Strategy A.1.3, Highway Construction, the Department of Transportation shall allocate a minimum of $2.5 million for each district to the State District Discretionary Category each fiscal year. These funds may not be used for highway construction project cost overruns or shortfalls.

35. **Travel Information.** If the department determines that it cannot meet anticipated production and distribution for the Texas State Travel Guide and related travel literature from funds appropriated in Strategy A.2.2, Travel Information, the department shall transfer sufficient funds to meet demand for each year of the biennium.

36. **Local Government Assistance.** The Texas Department of Transportation, pursuant to Texas Transportation Code § 201.706, may assist cities with the maintenance of city streets by providing engineering/maintenance expertise on roadway maintenance and when surplus materials are available, the department shall make available the surplus materials to any local government needing such materials.

37. **Full-time Equivalent: Summer Hire Program.** Full-time Equivalent (FTE) positions associated with the Summer Hire Program of the Department of Transportation, in an amount not to exceed 1,200 FTEs, shall be exempt from the Article IX provision establishing a limitation on state agency employment levels for the third and fourth quarters of each fiscal year. It is the intent of the Legislature that this provision will not change the “Number of Full-time Equivalent Positions (FTE)” listed elsewhere in this Act. The Department of Transportation shall provide to

the Legislative Budget Board, the Governor, and the State Auditor's Office a report of the number of FTEs associated with the Summer Hire Program each fiscal year.

38. **Clothing Provision.** The department may provide a cleaning allowance for Travel Counselors not to exceed $500 per year.

39. **Turnpike Authority Funds.** Out of the funds appropriated above in Strategy A.1.1, Plan/Design/Manage, any balances from General Revenue Account 5038-TxDOT Turnpike Authority estimated to be $2,300,000 remaining as of August 31, 2001, from appropriations made to the department to study, design, construct, operate, expand, enlarge, or extend turnpike projects shall be utilized for the same purpose for the biennium beginning September 1, 2001. It is the intent of the Legislature that the department expend all remaining balances from General Revenue Account 5038-TxDOT Turnpike Authority for the administration of the Turnpike Authority Division prior to other appropriations, unless directed elsewhere in this Act. Any unobligated balance of the appropriation remaining after the first year of the biennium in the General Revenue Account 5038-TxDOT Turnpike Authority shall be used for the same purpose during the second year of the biennium.

40. **Special License Plate Information.** Out of funds appropriated above to the Texas Department of Transportation in Strategy A.1.10, Registration and Titling, the agency shall include in the annual registration information sent to registrants, information on the department's special license plates.

41. **Reporting Requirements.** The Texas Department of Transportation shall provide a report to department's border district legislators and to the respective metropolitan planning organizations on department's trade transportation activities in such border districts during the 2002–03 biennium. The department shall report annually no later than January 1, each year of the biennium. The report shall also be provided to the Governor and the Legislative Budget Board.

    The Texas Department of Transportation shall submit a monthly revenue report to the Legislative Budget Board and the Governor on state and federal funds received in State Highway Fund 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 006, the department shall notify the Legislative Budget Board and the Governor in writing specifying the affected funds and the reason for the anticipated change.

42. **Trade Transportation Projects.** From funds appropriated above to the Texas Department of Transportation the department shall:

    a. Consider significant increases to the department's North American Free Trade Agreement, NAFTA, Discretionary Fund;

    b. Retain any funds replaced by allocation through § 1119 of the Transportation Equity Act for the twenty-first century for use by the department on high priority trade transportation related projects;

    c. Consider immediate relief from local contribution requirements for the Texas Department of Transportation designated border trade transportation projects;

    d. Consider allocating additional department resources to the planning, design and construction activities related to high priority border trade transportation projects in the border districts; and

e. Consider more aggressive State Infrastructure Bank loan terms for the Texas Department of Transportation designated high priority trade transportation projects in the Texas Department of Transportation border districts.

43. **Appropriation: Automobile Theft Prevention Funds.** Any balances, from the General Revenue Fund, remaining as of August 31, 2001, of the appropriations made herein to the department for auto theft prevention grants in House Bill No. 1, acts of the Seventy-sixth Legislature, Regular Session, 1999, (estimated to be $400,000), are appropriated for the same purposes for the biennium beginning September 1, 2001.

44. **Agency Coordination.** The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall coordinate their efforts on the acquisition and potential uses of crumb rubber and shredded tire pieces in the various phases of highway construction. The Texas Department of Transportation and the Texas Natural Resource Conservation Commission shall provide to the appropriate Legislative Committees a report on their progress by January 1, of each fiscal year.

45. **Projects for Traffic from International Trade.** The department annually shall review its proposed road and maintenance projects to determine whether the projects and maintenance are adequate to allow for the projected impact of overweight trucks on state highways, resulting from international trade.

46. **Light Pollution.** None of the funds appropriated to the Texas Department of Transportation may be used to install or replace an outdoor lighting fixture located in Brewster, Jeff Davis, Pecos, Presidio or Reeves county unless:

a. the new or replacement outdoor lighting fixture is a fully shielded outdoor lighting fixture that allows no direct light to travel upward into the night sky if the rated output of the outdoor lighting fixture is greater than 1,800 lumens; or

b. full consideration has been given to conserving energy, reducing glare, preserving the natural night environment, and minimizing night sky glow caused by the scattering of artificial light in the atmosphere.

c. Subsections a or b do not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the light is necessary for special events or situations, including night-time construction, which require additional illumination; or

(4) a compelling safety interest exists that cannot be addressed by another method.

47. **Auto Theft Prevention.** The Texas Department of Transportation shall prioritize awarding Auto Theft Prevention program grants to areas of the state that have not received grants as of September 1, 2001.

48. **Unexpended Third Party Reimbursements.** Any balances remaining after the first year of the biennium from third party reimbursements received through bond issuances for the purposes of repaying the department for eligible expenses made by the Texas Turnpike Authority and credited to Strategy A.1.1, Plan/Design/Manage, may be used for the same purpose during the second year of the biennium.

49. **Coordination of Spaceport Initiatives.** It is the intent of the Legislature that the Texas Aerospace Commission, the Texas Department of Economic Development and the Texas Department of Transportation coordinate their efforts and spending related to establishing a reusable launch facility or Spaceport. These agencies shall develop, maintain, and adhere to a memorandum of understanding by January 1, 2002, that details the specific responsibilities of each agency and continues to provide interagency coordination and support to achieve the objective of establishing a Spaceport.

50. **Aviation Education.** Out of the amounts of nonconstitutionally dedicated State Highway Fund 006 dollars appropriated above to the Texas Department of Transportation in A.1.6, Strategy: Aviation Services, the department may use an amount not to exceed $100,000 during each year of the biennium for Aviation Education purposes.

51. **Public Transportation Funding.** All State Highway Fund No. 006 appropriations above in A.1.7, Strategy: Public Transportation, are made from non-constitutionally dedicated revenue.

52. **Colonia Access Program.** Out of funds appropriated above in Strategy A.1.3, Highway Construction, the Texas Department of Transportation shall expend funds to establish a transportation program to improve access to colonias. The program shall be limited to counties within the El Paso, Laredo, and Pharr highway districts to improve the quality of roads for approximately 400,000 Texans who live in colonias.

    In developing the rules and procedures for this program, the Texas Department of Transportation shall consult with the Office of the Governor, the Secretary of State, the Texas Water Development Board, and the Texas A&M University Center for Housing and Urban Development. It is the intent of the Legislature that the factors to be considered should include colonia population, condition of current roads, school bus routes, and access to other parts of the region.

53. **Agency Coordination with Northside Redevelopment Center.** The Department of Transportation shall establish a working relationship with the Northside Redevelopment Center in Houston and shall coordinate their efforts to advance the redevelopment of North Main Street considering that North Main Street was once the Montgomery Highway and then a highway spur. The department shall provide each member of the House and Senate, whose legislative district is affected, quarterly reports on their progress coordinating efforts with the Northside Redevelopment Center.

54. **Summer Interns.** Out of individuals hired for the Summer Hire Program, the department shall hire no less than 10 interns each year for the Texas Prefreshman Engineering Program (TexPREP).

55. **Property Asset Management.** Within 90 days from September 1, 2001, the department may appeal to the Governor the findings in the General Land Office's Real Property Valuation Report. During each year of the biennium, the department shall initiate a sale or lease of no less than 50 percent of the department's unsold and/or unleased properties identified and certified by the Governor in the General Land Office's Real Property Valuation Report. The department shall report quarterly to the Governor, the Comptroller, and the Legislative Budget Board its progress in meeting this charge. The department shall report any activity related to such properties to the General Land Office in a manner prescribed by the General Land Office.

    Ten percent of the amount realized from the sale or lease of any property identified in the report is hereby appropriated to A.1.1, Strategy: Plan/Design/Manage, and 10 percent is hereby appropriated to A.1.5, Strategy: Routine Maintenance. Any unexpended balances remaining as of August 31, 2002, from appropriation increases realized from the sale or lease of property identified in the report, are hereby appropriated for the same purposes as of September 1, 2002.

On August 1 of each year, the Legislative Budget Board shall determine if the department has initiated the process to sell or lease the required amount of properties during each year and shall submit a report of these findings to the Governor. If the department does not initiate the process to sell or lease the required amount of properties during the first year of the biennium, a 7 percent capital charge may be assessed by the Legislative Budget Board and the Governor and reported to the Comptroller on any unsold and/or unleased properties identified and certified by the Governor in the General Land Office's Real Property Valuation Report for which a process has not been initiated.

The capital charges shall be calculated by the department on or before January 1, 2003, and detailed in a report to the Legislative Budget Board, the Governor, and to the Comptroller of Public Accounts. Appropriations in this Act in B.1.1 Strategy: Central Administration, and B.1.4, Strategy: Regional Administration, shall be reduced by the amount calculated so that the total amount reduced shall equate to the capital charge assessed, and shall be transferred to A.1.3, Strategy: Highway Construction, on or before January 31, 2003. The department may submit to the Legislative Budget Board a request for amounts to be reduced from specified strategies. Upon approval by the Legislative Budget Board, the timing of the transfer may be adjusted as necessary.

56. **Waste Tire Recycling.** It is the intent of the Legislature that the Texas Department of Transportation communicate and work with industries in all counties to maximize the use of tire recycling projects including but not limited to, civil engineering, highway construction, and land reclamation projects.

    The department shall evaluate its progress and report to the Legislature and the Legislative Budget Board by January 1, 2003.

57. **Green Ribbon Project Expansion.** It is the intent of the Legislature that the Department of Transportation expand the Green Ribbon Project, a public-private partnership initiative to enhance the appearance of public highways by incorporating in the design and improvement of public highways the planting of trees and shrubs, emphasizing natural beauty and greenspace, integrating public art, and highlighting cultural uniqueness of neighborhoods, to other areas of the state.

    Furthermore, in non-attainment and near non-attainment areas, in connection with a contract for a highway project, the department shall allocate to the district or districts in which the project is located an amount equal to not less than one half of one and not to exceed one percent of the amount to be spent under the contract for construction, maintenance, or improvement of the highway. If two or more districts share an allocation under this section, the districts shall divide the allocation according to the portion of the amount under the contract that will be spent in each district. A district that receives an allocation under this rider shall spend not less than one half of the allocation for landscaping and other enhancements included in the Green Ribbon program as improvements associated with the project that was the subject of the contract. The district may spend the allocated money that is not used for landscaping improvements associated with the project that was the subject of the contract for landscaping improvements associated with another highway or highway segment located in the district.

    For purposes of this rider, landscape improvements means planting of indigenous or adapted trees and other plants that are suitable for the climate in which they will be located, and preparing the soil and installing irrigation systems for the growth of the trees and plants. In non-attainment and near non-attainment areas, the district or districts shall, to the extent possible, use trees and plants that help mitigate the effects of air pollution.

58. **Highway Safety Improvements.** From funds appropriated above the Texas Department of Transportation shall create a new State Funded Category labeled Highway Safety Improvement Projects, and designate funds to that category.

59. **Discretionary Funding Report.** From funds appropriated the Department of Transportation shall pursue every opportunity to increase its discretionary funding equivalent to three percent of its apportioned funding. The department shall report to the Governor and the Legislative Budget Board the status of attaining this goal no later than December 1, 2002.

60. **Tourist Information Center.** From funds appropriated above, the Texas Department of Transportation shall allocate $100,000 each year of the biennium for the establishment of a tourist information center in the Rio Grande Valley contingent on the donation of property and a facility by a local municipality. The tourist information center must be located on a major highway.

61. **Commuter Rail Feasibility Study.** The Texas Department of Transportation shall conduct a feasibility study for a commuter rail along US 90A and the proposed connection with the Metropolitan Transit Authority of Harris County's proposed light rail mass transit system in the city of Houston. The study shall focus on the economic, financial, and transportation impact of commuter rail service on the cities of Houston, Missouri City, Stafford, Sugar Land, Richmond, and Rosenberg. The Texas Department of Transportation shall contribute an amount not to exceed $175,000 for contracting with the Metropolitan Transit Authority, Harris County, and the cities included in the study to share the cost of the study.

62. **Railroad Infrastructure.** From funds appropriated above, the Texas Department of Transportation shall allocate $300,000 for the purchase of abandoned railroad right-of-way within and adjoining the Northeast Texas Rural Rail District.

63. **Border Inspection Facilities.** It is the intent of the Legislature that before funds are expended for the purpose of building a co-located facility which would serve as a commercial motor vehicle inspection facility, border inspection station, or a centralized border inspection station that the department sign an agreement with the governing board of the municipality in which the facility is to be located which states that the location, plans, and implementation strategy for the proposed facility are acceptable to all parties involved.

64. **Loan Guarantee.** Out of funds appropriated above, the department may guarantee a loan in an amount not to exceed $1,700,000 to support upgrades to Amtrak passenger rail service between Dallas and Shreveport. Pursuant to Transportation Code Chapter 456, the department may enter into a loan agreement for this purpose and may require security for said loan guarantee.

65. **Causeway Construction.** Out of funds appropriated above in A.1.3. Strategy: Highway Construction, the department may allocate $10 million for South Padre Causeway construction costs during the biennium.

66. **Reimbursement Revenue Appropriation.** The Texas Turnpike Authority shall pay the Texas Department of Transportation an interest rate of six percent per year on amounts advanced for toll projects received during the biennium.

    In addition to amounts appropriated above, the Texas Department of Transportation is hereby appropriated all reimbursements (estimated to be $90,000,000) and interest received from amounts advanced for toll projects as follows:

    a. The amounts in Strategy A.1.1, Plan/Design/Manage, are hereby increased by $40,000,000 plus interest thereon.

b. The capital budget authority for the Texas Department of Transportation as set forth in Rider 1, Capital Budget, are hereby increased by $50,000,000 plus interest thereon for the purposes of funding items postponed in fiscal year 2001, in the General Appropriations Act, Seventy-sixth Legislature, Regular Session, House Bill 1, due to the delayed reimbursement from the Texas Turnpike Authority for toll projects.

c. Any additional money, including interest, shall be divided between Strategy A.1.1, Plan/Design/Manage, and the capital budget in the same proportion as set out above.

TEXAS WORKFORCE COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMMUNITIES AND LWDBS		
To support a statewide service delivery and evaluation system that assists local communities to identify and meet the workforce needs of employers and workers of the state.		
Outcome (Results/Impact):		
Percent of Local Workforce Development Boards with No Level II and III Sanctions During the Previous Fiscal Year	95%	95%
Percent of Unemployment Insurance Claimants Paid Timely	97%	97%
Percent of Unemployment Insurance Dispute Cases Resolved with Lower Appeal	82%	84%
Average Wait Time on Hold for Clients Filing Unemployment Insurance Initial Claims Using Tele-centers (Minutes)	1.3	1.3
Percent of Businesses Inspected in Compliance with Texas Child Labor Law	96%	96%
A.1.1. Strategy: LOCAL PROGRAM ASSISTANCE	$ 2,408,481	$ 2,729,445
Provide policy development and offer technical assistance and training to local workforce development area officials, boards and staff as they develop and implement local service delivery plans.		
Output (Volume):		
Number of On-site Technical Assistance Visits	313	337
Number of One-stop Service Career Development Centers Operated by TWC or LWDBs	93	93
A.1.2. Strategy: INTEGRATED INFORMATION SERVICES	$ 10,153,153	$ 10,284,052
Operate a statewide automated system to collect, research, analyze, disseminate and integrate labor market and workforce information to support service delivery and informed decision making in Texas by individuals, business, labor, local workforce development boards, educational institutions, state and local officials, and other interested groups.		
Output (Volume):		
Number of Labor Market Information Requests Closed	137,800	135,700
Efficiencies:		
Average Time in Hours to Resolve Computer Problems Preventing Client Access to Automated Information from TWIST	6.5	6

A.2.1. Strategy: UNEMPLOYMENT INSURANCE	$ 88,975,461	$ 87,724,020
Provide monetary assistance to eligible Texans during times of unemployment through a system of tax collection, benefits payment, and impartial dispute resolution.		
Output (Volume):		
Number of Initial Unemployment Insurance Claims Filed	742,000	742,000
Efficiencies:		
Percent of Lower Unemployment Insurance Appeals Decisions Issued Timely	80%	85%
Average Time to Process Initial Unemployment Insurance Claim	18	18
A.2.2. Strategy: ENFORCEMENT: WAGE, CHILD LABOR	$ 3,484,111	$ 3,484,768
Assist workers in obtaining payment of wages due and protect children from exploitation in the workplace.		
Output (Volume):		
Number of On-site Inspections Completed for Texas Child Labor Law Compliance	2,550	2,600
A.2.3. Strategy: PROGRAM MONITORING AND COMPLIANCE	$ 4,066,185	$ 4,377,715
Monitor and evaluate compliance of local area service delivery for fiscal accountability and program effectiveness through on-site visits and audits, and ensure veterans and students of proprietary schools receive appropriate instruction.		
Output (Volume):		
Number of On-site Monitoring Reviews of Contractors Conducted	74	80
Total, Goal A: COMMUNITIES AND LWDBS	$ 109,087,391	$ 108,600,000

B. Goal: WORKERS ASSISTANCE

To support a system that enables individuals to prepare themselves to obtain and retain employment.

Outcome (Results/Impact):		
Percent of Employment Services Recipients Entering Employment	27%	27%
Percent of Individuals Served on the Senior Texans Employment Program	40%	40%
Percent of Choices Eligibles Who Participate in the Choices Program	39%	42%
Percent of Choices Participants Who Enter Employment	52%	52%
Percent of Food Stamp Employment and Training Participants Who Enter Employment	35%	35%
WIA Entered Employment Rate	70%	70%
Percent of WIA Title I Adult Participants on TANF	18.5%	18.5%
Percent of Reintegration of Offenders (RIO) Clients Who Entered Employment	77%	77%
Entered Employment Rate	61%	62.5%
Earnings Change Rate	4,936	4,936
Employment Retention Rate	76%	76%
Percent of Job Placements Employed One Year Later (Choices)	75%	75%
Choices Participation Rate for Two-parent Families	26.1%	25.6%
Choices Participation Rate for All Families	26.1%	25.6%
Percent of Child Care Vendors Who Have Met Designated Vendor Criteria	39%	39%

B.1.1. Strategy: GENERAL WORKFORCE CLIENTS	$ 353,904,115	$ 353,096,757
Offer employment and training services and volunteer resources through a locally based network of career development centers that assess needs and offer skills enhancement and employment assistance to individual clients.		
Output (Volume):		
Number of WIA Participants Served	80,000	80,000
Number of Employment Services Participants Served	1,300,000	1,300,000
Number of RIO Participants Served	21,480	21,600
Number of Apprentices Served in State-sponsored Apprenticeship Training Programs	3,450	3,622
Efficiencies:		
Average Cost Per WIA Participant Served	2,000	2,000
Average Cost Per WIA Participant Who Entered Employment	9,000	9,000
Average Cost Per Employment Services Participant Who Entered Employment	107	107
Average Cost Per RIO Participant Who Entered Employment	284	276
Explanatory:		
Average Nonagricultural Wage Identified in TWC Job Orders As a Percent of Average Nonagricultural Wage Paid in Texas	42	40
B.1.2. Strategy: ADULT PUBLIC ASSISTANCE RECIPIENTS	$ 118,950,796	$ 107,754,733
Offer employment, training, transition and retention resources that enable adult public assistance recipients to become self-sufficient. Included in this strategy are TANF Choices (formerly JOBS), Food Stamp Employment and Training (E&T), and local innovation grants.		
Output (Volume):		
Number of Clients Served by Job Retention Services	2,000	2,000
Number of Clients Served by Local Innovation Projects	853	933
Number of Choices Participants in Two-parent Families Per Month	1,158	1,484
Number of Choices Participants in All Families Per Month	16,045	19,888
Number of Clients Served by the Welfare-to-Work Funds	12,301	0
Efficiencies:		
Average Cost Per Client Served in Component Activities: Choices	831.53	779.75
Explanatory:		
Number of Individuals in Two-parent Families Subject to Work Requirements	4,436	5,797
Number of Individuals in All Families Subject to Work Requirements	61,389	77,672
B.2.1. Strategy: EARLY CHILD CARE	$ 438,590,195	$ 441,449,116
Provide access to child care for eligible children in low-income families to enable parents to work or attend school or training.		
Output (Volume):		
Average Number of Children Served Per Day, Excluding Choices and E&T Services	85,281	79,352
Average Number of Children Served Per Day: Choices and E&T	22,463	27,843
Efficiencies:		
Average Cost Per Child Per Day for Child Care Services, Excluding Choices and E&T Services	13.44	13.44
Average Cost Per Child Per Day: Choices and E&T	16.21	16.21
Explanatory:		
Number of Children on Waiting List for Low-income Child Care	33,661	34,671
Number of New Children Enrolled in Child Care	100,347	100,347

B.2.2. Strategy: SCHOOL TO CAREERS	$ 4,780,893	$ 0
Offer funding to assist in the development of local School-to-Careers initiatives that prepare an emerging workforce for transition from the school environment to the labor market.		
Output (Volume):		
Number of Employers Participating in School-to-Careers	27,000	0
Total, Goal B: WORKERS ASSISTANCE	$ 916,225,999	$ 902,300,606
C. Goal: EMPLOYERS		
To identify and help solve the workforce needs of Texas employers.		
Outcome (Results/Impact):		
Percent of Skills Development Fund Trainees Securing Employment with Participating Businesses	98%	98%
Percent of Self-Sufficiency Trainees Securing Employment with Participating Businesses	75%	75%
C.1.1. Strategy: BUSINESS SVCS & SKILLS DEVELOPMENT	$ 0	$ 0
In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community and technical schools for equipping individuals with skills identified as needed by business and industry.		
Output (Volume):		
Number of Skills Development Fund Trainees	13,500	13,500
C.1.2. Strategy: SELF-SUFFICIENCY FUND	$ 2,902,429	$ 2,902,429
In partnership with business, labor unions, community organizations and educational institutions, administer funding to public community colleges and technical schools for skills needs assessment and for equipping adult TANF recipients with skills needed by business and industry.		
Output (Volume):		
Number of Clients Served by the Self-Sufficiency Fund	900	900
Total, Goal C: EMPLOYERS	$ 2,902,429	$ 2,902,429
D. Goal: INDIRECT ADMINISTRATION		
Indirect administrative and support costs.		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 9,611,316	$ 9,645,943
D.1.2. Strategy: INFORMATION RESOURCES	$ 6,038,657	$ 5,909,146
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 3,416,732	$ 3,428,890
Total, Goal D: INDIRECT ADMINISTRATION	$ 19,066,705	$ 18,983,979
Grand Total, TEXAS WORKFORCE COMMISSION	$ 1,047,282,524	$ 1,032,787,014
Method of Financing:		
General Revenue Fund	$ 18,081,321	$ 18,073,425
GR MOE for Temporary Assistance for Needy Families	27,745,141	27,745,141
Earned Federal Funds	5,733,569	0
GR for Child Care and Development Fund	43,706,220	46,206,221
Proprietary School Fees	925,457	924,543
Subtotal, General Revenue Fund	$ 96,191,708	$ 92,949,330

GR Dedicated - Unemployment Compensation Special Administration Account No. 165	5,002,807	5,029,417
Workforce Commission Federal Account No. 5026	926,233,809	914,956,007
Appropriated Receipts	6,539,835	6,538,620
Interagency Contracts	13,314,365	13,313,640
Subtotal, Other Funds	$ 19,854,200	$ 19,852,260
Total, Method of Financing	$ 1,047,282,524	$ 1,032,787,014
Number of Full-Time-Equivalent Positions (FTE):	3,913.5	3,913.5
Schedule of Exempt Positions:		
Commissioner, Group 4	$99,500	$99,500
Commissioner, Group 4	(2) 97,000	(2) 97,000
Executive Director, Group 5	125,000	125,000
Supplemental Appropriations Made in Riders:	$ 14,575,000	$ 12,575,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
a. Repair or Rehabilitation of Buildings and Facilities	$ 688,999	$ 692,999
b. Acquisition of Information Resource Technologies		
(1) LAN/WAN Area Upgrade & Replacement	1,176,000	1,176,000
(2) PC Infrastructure and Refresh	1,000,000	1,000,000
(3) Voice Response Unit Replacement	1,180,000	0
(4) E-Strategy	4,000,000	1,300,000
(5) Phone System Replacement	750,000	750,000
(6) IBM Mainframe Lease	1,205,582	1,205,582
(7) IBM Host Software	1,937,628	1,937,628
(8) DASD Management and Growth	495,000	495,000
(9) Open Systems Storage Expansion	850,000	1,275,000
(10) Unix Server Replacement	1,180,000	0
(11) Mainframe Infrastructure Upgrade	1,584,000	2,178,000
(12) Tape Library Expansion	1,153,351	1,153,351
(13) Redundant Mainframe	569,251	495,000
Total, Acquisition of Information Resource Technologies	$ 17,080,812	$ 12,965,561
Total, Capital Budget	$ 17,769,811	$ 13,658,560

Method of Financing (Capital Budget):			
General Revenue Fund	$ 120,405	$ 118,414
GR Dedicated - Unemployment Compensation Special Administration Account No. 165	81,040	79,179
Appropriated Receipts	17,174	16,083
Interagency Contracts	18,745	18,092
Workforce Commission Federal Account No. 5026	17,519,988	13,419,904
* GR Match for Welfare-to-Work Grant	4,748	0
Proprietary School Fees	7,711	6,888
Total, Method of Financing	$ 17,769,811	$ 13,658,560

2. **Appropriation: Federal Funds.** All moneys granted to this state by the federal government for the administration of the Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the State Comptroller, Treasury Operations for the Texas Workforce Commission, and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and for the purposes for which such moneys were granted.

3. **Section 903, Social Security Act Funds.**

   a. Out of amounts credited to this state's account in the Federal Unemployment Trust Fund under § 903 of the Social Security Act, there is included in the appropriation above $5,189,607 in fiscal year 2002 and $5,087,421 in fiscal year 2003 for withdrawal and use by the Texas Workforce Commission for the administration of the Texas Unemployment Compensation Act and its Public Employment Offices and telecenters. Said funds may be used to provide necessary office facilities and automated equipment, to include the purchase of land and construction of buildings, and the construction of improvements on property owned by the Texas Workforce Commission, including the cost of repairs and alterations to such property and the purchase of computers and related peripheral equipment.

   b. Any amounts allocated by the federal government to the commission during fiscal year 2002 or fiscal year 2003 shall be used only to pay expenses incurred for the administration of the Texas Unemployment Compensation Act. These funds shall not be used by the commission for the payment of Unemployment Compensation benefits or the administration of its Public Employment Offices.

   c. No part of said amounts specified immediately above, herein appropriated out of amounts credited to this state's account in the Federal Unemployment Trust Fund under § 903 of the Social Security Act, shall be expended after the close of the period covered by this Appropriation Act and any unused portion of such amounts shall, at such close, revert to this state's said account in the Federal Unemployment Trust Fund. The amount obligated pursuant to this act shall not exceed at any time the amount by which (a) the aggregate of the amounts transferred to the account of this state pursuant to § 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.

4. **Appropriation: Petty Cash Funds.** The Texas Workforce Commission is authorized to establish and maintain petty cash funds in local offices for the purpose of reimbursing transportation costs for job training participants in accordance with the regulations of the

*Should read “Earned Federal Funds.”

agency or agencies granting such funds. Any and all such funds received by the Texas Workforce Commission are hereby appropriated for the purposes authorized and the Texas Workforce Commission is authorized to disburse such funds for the purposes for which they are granted.

5. **Authorization: Sale of Agency-owned Buildings and Land.** In order to ensure effective facility management in coordination with the local workforce development boards, the agency is hereby authorized to sell agency-owned buildings and land. Any such sale must be based on a finding by the commission that no other economically viable alternative exists, and specifically that operation within agency-owned or leased buildings would not be feasible. Furthermore, in order to accommodate sudden and unexpected fluctuations in federal funding, the agency is hereby authorized to sell agency-owned buildings and land as it deems necessary. The authority granted in this provision is contingent upon the filing of a written notice with the Governor's Office of Budget and Planning and the Legislative Budget Board at least 90 days prior to the planned date of sale and is subject to the disapproval of either office within 90 days after notification.

6. **Payment of Unemployment Benefits - State Agencies.** It is the intent of the Legislature that the Texas Workforce Commission charge the Comptroller of Public Accounts only for unemployment benefits paid based on wages earned from agencies appropriated funds under the General Appropriations Act, and that agencies outside the General Appropriations Act be maintained as individual reimbursing employers.

7. **Smart Jobs Assessment.** On August 31 of each year the collection cost for the Smart Jobs assessment shall be transferred out of the Smart Jobs Fund 891 for the purpose of reimbursing the Federal Government for the cost of collecting the Smart Jobs Assessment. The amount of the transfer shall depend on the amount of the assessment transferred from the Holding Fund 890 to the Smart Jobs Fund 891 and the tax collection cost methodology agreed to by the Texas Workforce Commission and the US Department of Labor.

8. **Apprenticeship Program.** Out of the general revenue funds appropriated in Strategy B.1.1, General Workforce Clients, the Texas Workforce Commission shall allocate $1,775,000 each year of the biennium for the purpose of funding the Apprenticeship Program.

9. **Appropriation: Proprietary Schools.** Out of funds appropriated above in Strategy A.2.3, Program Monitoring and Compliance, the amount of $842,071 in each year from fees collected from applications for certification of proprietary schools and registration fees for representatives of proprietary schools shall be allocated for proprietary school regulation. The Texas Workforce Commission is hereby appropriated an amount not to exceed $75,000 per year for the 2002–03 biennium from balances on hand in the Proprietary School Tuition Fund Account No. 5019 in the General Revenue Fund for the purposes of paying expenses and refunds authorized by the commission under the provisions of Education Code § 132.242.

10. **Federal Funds Appropriated.** The appropriations herein made may be used to match federal funds granted to the state for the payment of personal services, travel and other necessary expenses in connection with the administration and operation of a state program of public welfare services. The Texas Workforce Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the Texas Workforce Commission and the responsible federal

agency, and such other activities as come under the authority of the Texas Workforce Commission, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section.

11. **Reappropriation of Federal and Local Funds.** All funds received by the commission from counties, cities, federal agencies and from any other local source during the 2002–03 biennium, and all balances from such sources as of August 31, 2001, are hereby appropriated for the biennium ending August 31, 2003, for the purpose of carrying out the provisions of this Act.

12. **Unexpended Balances for Child Care Funds.** It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission (TWC) are appropriated to the commission for the purpose of drawing down all available federal funds for child care. The commission may transfer unexpended and unobligated balances of General Revenue appropriations to Strategy B.2.1, Early Child Care, in order to match available federal child care funds, which are appropriated to TWC. TWC is not subject to the requirements of Rider 34 for federal child care funds matched with available General Revenue, although TWC should notify the Legislative Budget Board and the Governor of the amounts of additional General Revenue used as match and the federal child care funds matched in each year of the 2002–03 biennium.

13. **Donated Purchase Agreements.** In order to maximize the availability of state matching funds for federal child care funds and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations.

14. **Maximization of Child Care and Development Funds.** It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize federal funds for child care. Necessary system and accounting system changes to effect this intent are authorized.

15. **National Community Service Act Programs.** Out of funds appropriated above in Strategy B.1.1, General Workforce Clients, and Goal D, Indirect Administration, the Texas Workforce Commission shall allocate $700,000 in each year of the biennium for the purpose of meeting state matching requirements of federal dollars for National Community Service Act programs.

16. **Veterans Education Program.** Out of funds appropriated above in Strategy A.2.3, Program Monitoring and Compliance, the Texas Workforce Commission shall allocate $180,000 in each year of the biennium for the purposes of automation, services, training and other indirect expenses for the Veterans Education Program.

17. **Method of Financing: Wage Assistance and Child Labor Protection.** The appropriations above include $3,484,111 in 2002 and $3,484,111 in 2003 from the Unemployment Compensation Special Administration Account 165 for Strategy A.2.2, Enforcement: Wage, Child Labor, for the purpose of enforcing the Wage Assistance and Child Labor Protection programs pursuant to Chapters 51, 61, and 63 of the Labor Code. In no event shall this provision be construed as an appropriation in excess of the amount appropriated above to the Texas Workforce Commission.

18. **Project RIO.** It is the intent of the Legislature that the Texas Workforce Commission, the Texas Department of Criminal Justice, and the Texas Youth Commission together enhance the effectiveness of Project RIO by improving cohesive program delivery among the three agencies. The agencies shall together develop and implement a biennial strategic plan for the implementation of a more cohesive and effective Project RIO program which will emphasize necessary skill development, rehabilitation and appropriate assessment of the offender prior to inmate release. Not later than March 1, 2002, the biennial strategic plan, jointly prepared by the three agencies, and including specific strategies, measures, timeframes for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor. With regards to appropriations for Project RIO, while total project funds are appropriated to the Texas Workforce Commission, interagency contracts are to be maintained during the 2002–03 biennium with the Texas Department of Criminal Justice and the Texas Youth Commission at no less than the funding and performance levels maintained as of August 31, 2001.

19. **Meeting Federal Work Participation Rates.** Federal Temporary Assistance for Needy Families (TANF) funds appropriated in Strategy B.1.2, Adult Public Assistance Recipients, shall be used for programs described in Human Resources Code § 31.0126, VTCA, including life skills or job readiness training, individual or group job search, business internship, on-the-job training, community or volunteer work experience, subsidized employment assistance, parent skills training, employment skills training, education and literacy training. The Texas Workforce Commission shall develop and implement a strategic plan to achieve the federal work participation rate for two-parent families. No later than December 1, 2001, the strategic plan, including specific strategies, measures, time frames for program improvement, and a methodology for program evaluation, shall be submitted to the Legislative Budget Board and the Governor.

20. **Earned Income Tax Credit Assistance.** Out of funds appropriated above, the Texas Workforce Commission shall assist recipients of Temporary Assistance for Needy Families (TANF) who become employed, and other low-income workers who may qualify for the credit under federal income and other requirements, to apply for the federal Earned Income Tax Credit.

21. **Employment and Child Care Programs in Rural Areas.** It is the intent of the Legislature that the Texas Workforce Commission and local workforce development boards cost-effectively expand the availability of employment and child care programs into rural areas.

22. **Adult Education and Literacy Training.** Out of funds appropriated above in Strategy B.1.2, Adult Public Assistance Recipients, the Texas Workforce Commission, or certified local workforce development boards that have a local plan approved by the Governor, shall use $2,000,000 each year of the biennium to provide basic education and literacy training for recipients of Temporary Assistance for Needy Families (TANF) which meet the requirements of the Texas Education Code for Adult Education Programs. A portion of these funds shall be used to contract with community-based organizations with a minimum of two years prior experience as a literacy provider.

23. **Investment in Long-term Success for TANF Recipients.** Out of funds appropriated above in Strategy B.1.2, Adult Public Assistance Recipients, $3,000,000 of Temporary Assistance for Needy Families (TANF) federal funds in each year of the biennium shall be used to invest in long-term success employment strategies for TANF recipients. The funds shall be used for the following purposes:

    a. $2,000,000 in each year of the biennium to fund job retention and re-employment services for TANF recipients; and

b. $1,000,000 in each year of the biennium to fund local innovation grants, including a microenterprise development program administered centrally by the Texas Workforce Commission. Local innovation grants could also support proposals that offer training for non-traditional jobs or address particular barriers to work such as transportation.

24. **Continuing Education.** Recipients of child care service benefits who are 17 years of age or older with a high school diploma or GED and who wish to acquire an Associate Degree shall continue to be eligible for child care service benefits for a period not to exceed four years for an educational program if that program will prepare the recipient for a job in a high demand occupation with an upward career path as determined by a local workforce development board. The local workforce development board may determine the duration of child care assistance for a recipient in an educational program based on that individual's progress toward completing the program.

25. **Priority for TANF Recipients.** To the extent allowed under federal law, the Texas Workforce Commission and local workforce development boards shall give priority to recipients of Temporary Assistance for Needy Families (TANF) for training, employment services and child care funded by the Workforce Investment Act (WIA). The commission shall report annually to the Legislative Budget Board and the Governor's Office of Budget and Planning expenditures used for TANF recipients, the number of TANF recipients served with WIA funds, and their outcomes.

26. **Job Training Courses.** It is the intent of the Legislature that the primary objective of the job training courses provided under Strategy B.1.1, General Workforce Clients, is to teach job skills adequate for employment in the community. While English as a Second Language (ESL) may provide additional benefit to trainees, it may not be substituted for job training classes.

27. **Choices Program.** Any balances on hand may be carried forward from fiscal year 2002 to fiscal year 2003 to accomplish program requirements.

28. **Assistance Registration and Eligibility Determination.** To the extent possible it is the intent of the Legislature that if the Texas Workforce Commission or the Department of Human Services require applicants for Temporary Assistance for Needy Families (TANF) assistance to register with the commission before the Department of Human Services can determine their eligibility for benefits, then the registration/orientation for TANF applicants shall be provided at the Department of Human Services offices where the eligibility determination of TANF recipients occurs.

29. **Welfare-to-Work Grant.** Of the General Revenue amounts appropriated above in Strategy B.1.2, Adult Public Assistance Recipients, for the purpose of matching the federal Welfare-to-Work grant, $5,733,569 in fiscal year 2002 is contingent on certification by the Chair of the Texas Workforce Commission that the commission has met all accountability and performance measure reporting requirements established by the Comptroller of Public Accounts, the Legislative Budget Board and the Governor. The certification required by this provision shall be submitted quarterly to the Comptroller of Public Accounts, the Legislative Budget Board and the Governor. The Comptroller of Public Accounts, the Legislative Budget Board, and the Governor may establish accountability and performance measure reporting requirements to carry out this provision. During any quarter of the fiscal year, no more than one-fourth of the state matching funds for the federal Welfare-to-Work grant appropriated for use during that fiscal year may be expended by the Texas Workforce Commission without the approval of the Legislative Budget Board and the Governor.

30. **Core Measures Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on agency performance according to the Core Measures adopted on May 27, 1994, by the Texas Council on Workforce and Economic Competitiveness, as modified. Each report shall be submitted with the agency's quarterly performance report and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

31. **Expenditure Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on expenditures for each agency program by each local workforce development board and by the Texas Workforce Commission. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

32. **Skills Development and Self-Sufficiency Fund Report.** The Texas Workforce Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on contracts executed by the commission, expenditures, program participants, and closed contracts for each Skills Development Fund and Self-Sufficiency Fund contract. Each report shall be submitted with the agency's quarterly ABEST/USAS reconciliation and must be accompanied by supporting documentation as specified by the Legislative Budget Board and the Governor.

33. **Contracts for Purchase of Client Services.** No funds appropriated to the Texas Workforce Commission may be utilized for contracts for the purchase of program-related client services unless:

    a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;

    b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;

    c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;

    d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and

    e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable to achieve program objectives.

34. **Additional Federal Funds.** No appropriation of federal funds in addition to the estimated amounts above may be expended by the Texas Workforce Commission unless:

    a. the Texas Workforce Commission files a finding of fact along with a written plan outlining the use and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,

    b. neither the Legislative Budget Board nor the Governor issues a written disapproval within 15 days of the receipt of the finding of fact and the written plan, which should not prohibit the agency from responding in an emergency.

35. **Workforce Commission Expenditure Report.**

    a. In every local workforce development area where the Texas Workforce Commission has an office or field employees that participate in a state or federally funded workforce program, the office or field employee supervisor shall, no later than 90 days after the close of each fiscal year, provide the local workforce development board for that area with an accounting of all expenditures by that office or for those field employees, for the preceding fiscal year, associated with the delivery of services in that area.

    b. The accounting required by this provision shall include:

        (1) the salary and benefits of each employee of the commission who works in the area:
        (2) the indirect cost for regional and state administration, including payroll, supervisory, and other administrative costs;
        (3) the values or rental cost of any building and all equipment owned or leased by the commission;
        (4) the number of commission employees assigned to each major function of the delivery of workforce development services and the overall salary expenditure attributable to each major function;
        (5) the training cost incurred by the commission, including travel costs related to training; and
        (6) any other costs associated with the delivery of services in the area.

    c. The information required to be reported by this provision shall be prepared in accordance with rules established by the Council on Workforce and Economic Competitiveness and the Texas Workforce Commission.

36. **Child Care Resource and Referral.** Out of funds appropriated above in Strategy B.2.1, Early Child Care, the Texas Workforce Commission shall use $1,000,000 in each fiscal year of the biennium to contract with governmental entities, non-profit agencies, or community-based organizations to provide a network of child care consumer education services through resource and referral agencies.

37. **Training Our Teachers Program.** Out of funds appropriated above in Strategy B.2.1, Early Child Care, $2,000,000 for the biennium shall be allocated from the Child Care and Development Fund administered by the Texas Workforce Commission for the purposes of improving the quality of available child care through a child care professional training program. The funds will be designated for a scholarship and wage supplementation program for eligible child care workers who seek nationally recognized Child Care Associate or Child Care Professional credentials, or Level One College Certificates and Associate Degrees approved by the Texas Higher Education Coordinating Board and agree to work for a registered child care facility for at least two years after receiving the credentials.

38. **Appropriation: Service Level Agreements.** The Texas Workforce Commission is hereby appropriated all fees collected from service level agreements with local workforce development boards or other entities for information technology services for the purpose of defraying costs incurred by the agency.

39. **Welfare-to-Work State Match.** It is the intent of the Legislature that funds be provided to match federal Welfare-to-Work grant funds during the grant period. To the extent allowed under federal law, the commission shall monitor expenditures to insure that the expenditure of matching funds and federal grant funds is reasonably consistent.

40. **Welfare-to-Work Status Report.** It is the intent of the Legislature that the Texas Workforce Commission and local workforce development boards together maximize the effectiveness of the Welfare-to-Work grant program by providing cohesive service delivery to hard-to-employ clients. The Texas Workforce Commission and local workforce development boards shall together ensure that local plans promote effective Welfare-to-Work program services. No later than September 1, 2002, a status report on the Welfare-to-Work program shall be compiled by the Texas Workforce Commission with input from the local workforce development boards and submitted to the Legislative Budget Board and the Governor. The report should include an evaluation of service delivery strategies, performance measures by state fiscal year and by grant year, and an accounting of all federal, state, and local expenditures.

41. **Appropriation: Skills Development Fund.** The Texas Workforce Commission is hereby appropriated $12,500,000 in each year of the 2002–03 biennium in Strategy C.1.1, Business Services and Skills Development from General Revenue.

42. **Earned Federal Funds.** The appropriation of Earned Federal Funds above is made from balances available as of August 31, 2001.

43. **Welfare-to-Work Grant Programs.** It is the intent of the Legislature that Welfare-to-Work funds may be used to provide non-custodial parents and former foster care adolescents with job training, post-employment services, parenting classes, and any other services permitted under Welfare-to-Work grant rules.

44. **Study on State Personnel Costs.** The Texas Workforce Commission, in cooperation with the General Services Commission, shall conduct a study of state agency operating and personnel costs in various regions around the State. The Texas Workforce Commission will specifically investigate costs associated with state employees compensation, providing a comparison of average compensation and costs of living in both rural and urban Texas counties outside the Austin area. One copy each of the report shall be delivered to the Governor, the Lieutenant Governor, the Speaker, the Members of the Texas Senate and the House of Representatives, and the Legislative Budget Board no later than September 1, 2002.

45. **Appropriation: Nine West Settlement.**

    a. Contingent upon funds from the *State of Florida, et al. v. Nine West Group, Inc. and John Does 1-500* ("Nine West Settlement") entered into by the Office of the Attorney General becoming available for appropriation, there is hereby appropriated $1,900,000 to the Texas Workforce Commission. In addition to these funds, the Texas Workforce Commission is also appropriated any balances, including interest earnings generated by the settlement money, remaining after all other distributions from the settlement as specified elsewhere in the Act are made.

    b. The funds described in subsection (a) are to be used for the purpose of making a one-time grant to an established Texas chapter of a national non-profit organization that provides services for women transitioning into the workforce. It is the intent of the Legislature that Dress for Success-Houston be the recipient of these funds. Specifically, the organization should provide services related to interview training, skills for job placement, and should provide clothing to women for interviews and job placement at no charge to the recipients. The organization should also provide job retention assistance services through a networking association. The grant should require the organization to use theses funds to set up an endowment, the earnings of which should then be used by the organization to provide the requested services for the Texas Workforce Commission, in addition to providing technical support and assistance for additional locations in the State of Texas. The organization should report regularly to the Texas Workforce Commission the use of the proceeds from the endowment created.

c. Contingent upon funds from the Nine West Settlement becoming available for appropriation, there is hereby appropriated $100,000 to the Texas Workforce Commission. Such funds are appropriated for the purpose of making a one-time grant to Links, Inc. The grant shall be used for funding health, educational, vocational, and/or safety programs for women, and shall be distributed as follows:

(1) $33,333 to the Port City (Houston) Chapter of the Links, Inc.;
(2) $33,333 to the San Antonio Chapter of the Links, Inc.;
(3) $33,334 to the Trinity Chapter of the Links, Inc.

d. Funds received from the Nine West Settlement may only be used for purposes that comply with the terms of the Nine West Settlement.

46. **Quality Initiatives by the Texas Workforce Commission.** The Texas Workforce Commission shall collect state and local data which it will use to assess the effectiveness of the existing utilization of the 4 percent quality dollars by the local workforce development boards. The Texas Workforce Commission shall produce a report which will highlight promising practices in expanding quality early education.

47. **Wage Level Accountability.** Out of amounts appropriated above to Strategy B.1.2, Adult Public Assistance Recipients, the Texas Workforce Commission may reserve $600,000 in fiscal year 2002 and $600,000 in fiscal year 2003 to develop a program to encourage local workforce development boards to place and retain Choices participants in jobs which provide adequate wages and hours of work to lift participants above the federal poverty level. The Texas Workforce Commission may develop rules to implement this program and may use alternative measures of income which take into account regional differences in cost of living, economic conditions, and job opportunities. The Texas Workforce Commission is to involve representatives of local workforce development boards in establishing the guidelines for this accountability program.

48. **TANF Transfers to Title XX.** Out of the funds appropriated above in Strategy B.1.2, Adult Public Assistance Recipients, the Texas Workforce Commission may request approval from the Legislative Budget Board and the Governor to transfer federal Temporary Assistance for Needy Families funds to the Social Services Block Grant to be used for transportation services to families residing in minimum service counties.

49. **Internet Solutions for Child Care Facilities.** Out of the funds appropriated above, the Texas Workforce Commission shall conduct a pilot program to examine an internet-based attendance reporting system for providers of child care services, as well as a pre-screening internet application available to the public to assist individuals in obtaining child care services. This pilot is to be conducted in one urban county and one county along the Texas-Mexico border. The commission shall submit a report on the outcome of this pilot to the Governor, the Legislature, and the Legislative Budget Board by January 1, 2003.

50. **Expenditures on Quality Child Care Programs.** It is the intent of the Legislature that the Texas Workforce Commission and the local workforce development boards expend federal Child Care and Development Funds designated for quality activities in child care services according to the definition of quality activities in Government Code § 2308.317.

51. **West Texas Disaster Recovery and Operations Center.** It is the intent of the Legislature that the Texas Workforce Commission transfer its mainframe computer operations to the West Texas Disaster Recovery and Operations Center.

REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: STATE'S UC REIMBURSEMENT To comply with statutory requirements concerning the reimbursement of the Unemployment Compensation Benefits Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.		
A.1.1. Strategy: STATE'S UC REIMBURSEMENT Reimburse the Unemployment Compensation Benefit Account No. 937 for unemployment compensation benefits paid to former employees of the State of Texas.	$ 13,034,547	$ 13,295,238
Grand Total, REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT	$ 13,034,547	$ 13,295,238
Method of Financing:		
GR Dedicated - Unemployment Compensation Special Administration Account No. 165	$ 4,262,297	$ 4,347,543
Other Special State Funds	8,772,250	8,947,695
Total, Method of Financing	$ 13,034,547	$ 13,295,238

1. **Reimbursement to Fund No. 937.** Reimbursements to the Unemployment Compensation Benefit Account shall be made from funds appropriated above to the full extent of the amounts identified in the method of financing, plus amounts reimbursed in accordance with other provisions of this Act.

2. **Funding Source: Penalty and Interest Receipts.** Funds identified in the method of financing as General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 are appropriated from penalty and interest revenue for the purpose of paying that portion of the unemployment compensation benefits not paid by state agencies or institutions of higher education as prescribed by the section entitled Reimbursements For Unemployment Benefits of the General Provisions of this Act. Such revenue is defined as the penalty and interest receipts collected under §§ 213.021 and 213.022, Texas Labor Code, and authorized for the payment of unemployment compensation benefits to former state employees pursuant to § 203.202, Texas Labor Code.

   Unemployment compensation benefit costs that exceed the General Revenue Fund-Dedicated-Unemployment Compensation Special Administration Fund Account No. 165 amounts for each fiscal year shall be paid only from penalty and interest revenue.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 40,919,628	$ 41,738,022
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 137,367,747	$ 156,231,065
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 178,287,375	$ 197,969,087
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 178,287,375	$ 197,969,087
Method of Financing:		
General Revenue Fund, estimated	$ 8,463,858	$ 10,809,692
General Revenue - Dedicated, estimated	2,934,368	3,199,867
State Highway Fund No. 006, estimated	138,510,275	153,934,726
Federal Funds, estimated	27,495,622	29,067,906
Other Special State Funds, estimated	883,252	956,896
Total, Method of Financing	$ 178,287,375	$ 197,969,087

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 51,112,751	$ 52,135,007
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 11,914,069	$ 11,052,086
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 63,026,820	$ 63,187,093
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 63,026,820	$ 63,187,093
Method of Financing:		
General Revenue Fund, estimated	$ 3,430,304	$ 4,034,190
General Revenue - Dedicated, estimated	1,538,496	1,545,902
State Highway Fund No. 006, estimated	47,702,173	47,813,874
Federal Funds, estimated	9,874,192	9,307,078
Other Special State Funds, estimated	481,655	486,049
Total, Method of Financing	$ 63,026,820	$ 63,187,093

LEASE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS	$ 162,805	$ 163,077 & UB
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
Grand Total, LEASE PAYMENTS	$ 162,805	$ 163,077

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Aerospace Commission	$ 1,250,000	$ 750,000
Texas Department of Economic Development	25,412,619	24,563,273
Rider Appropriations	72,500	72,500
Total	25,485,119	24,635,773
Department of Housing and Community Affairs	19,553,479	23,207,220
Rider Appropriations	300,000	300,000
Total	19,853,479	23,507,220
Texas Lottery Commission	2,785,997	2,785,997
Department of Transportation	34,416,291	17,013,291
Rider Appropriations	820,000	35,000
Total	35,236,291	17,048,291
Texas Workforce Commission	96,191,708	92,949,330
Rider Appropriations	12,500,000	12,500,000
Contingency Appropriations	2,000,000	0
Total	110,691,708	105,449,330
Subtotal, Business and Economic Development	$ 195,302,594	$ 174,176,611
Retirement and Group Insurance	8,463,858	10,809,692
Social Security and Benefit Replacement Pay	3,430,304	4,034,190
Subtotal, Employee Benefits	$ 11,894,162	$ 14,843,882
Lease Payments	162,805	163,077
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	$ 207,359,561	$ 189,183,570

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Department of Economic Development	$ 5,536,094	$ 239,900
Rider Appropriations	300,000	0
Total	5,836,094	239,900
Texas Lottery Commission	180,577,906	178,844,355
Department of Transportation	2,873,133	584,703
Texas Workforce Commission	5,002,807	5,029,417
Contingency Appropriations	75,000	75,000
Total	5,077,807	5,104,417
Reimbursements to the Unemployment Compensation Benefit Account	4,262,297	4,347,543
Subtotal, Business and Economic Development	$ 198,627,237	$ 189,120,918
Retirement and Group Insurance	2,934,368	3,199,867
Social Security and Benefit Replacement Pay	1,538,496	1,545,902
Subtotal, Employee Benefits	$ 4,472,864	$ 4,745,769
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	$ 203,100,101	$ 193,866,687

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Department of Economic Development	$ 5,584,610	$ 5,584,610
Department of Housing and Community Affairs	185,125,588	185,124,754
Department of Transportation	2,365,208,682	2,298,993,029
Texas Workforce Commission	926,233,809	914,956,007
Subtotal, Business and Economic Development	$ 3,482,152,689	$ 3,404,658,400
Retirement and Group Insurance	27,495,622	29,067,906
Social Security and Benefit Replacement Pay	9,874,192	9,307,078
Subtotal, Employee Benefits	$ 37,369,814	$ 38,374,984
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	$ 3,519,522,503	$ 3,443,033,384

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Department of Economic Development	$ 53,295,775	$ 2,378,468
Rider Appropriations	3,085,740	1,243,000
Total	56,381,515	3,621,468
Department of Housing and Community Affairs	14,751,062	13,975,376
Department of Transportation	2,678,086,808	2,851,105,604
Rider Appropriations	100,000,000	0
Total	2,778,086,808	2,851,105,604
Texas Workforce Commission	19,854,200	19,852,260
Reimbursements to the Unemployment Compensation Benefit Account	8,772,250	8,947,695
Subtotal, Business and Economic Development	$ 2,877,845,835	$ 2,897,502,403
Retirement and Group Insurance	139,393,527	154,891,622
Social Security and Benefit Replacement Pay	48,183,828	48,299,923
Subtotal, Employee Benefits	$ 187,577,355	$ 203,191,545
Less Interagency Contracts	$ 15,713,085	$ 15,712,360
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	$ 3,049,710,105	$ 3,084,981,588

RECAPITULATION - ARTICLE VII
BUSINESS AND ECONOMIC DEVELOPMENT
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Texas Aerospace Commission	$ 1,250,000	$ 750,000
Texas Department of Economic Development	89,829,098	32,766,251
Rider Appropriations	3,458,240	1,315,500
Total	93,287,338	34,081,751
Department of Housing and Community Affairs	219,430,129	222,307,350
Rider Appropriations	300,000	300,000
Total	219,730,129	222,607,350
Texas Lottery Commission	183,363,903	181,630,352
Department of Transportation	5,080,584,914	5,167,696,627
Rider Appropriations	100,820,000	35,000
Total	5,181,404,914	5,167,731,627
Texas Workforce Commission	1,047,282,524	1,032,787,014
Rider Appropriations	12,500,000	12,500,000
Contingency Appropriations	2,075,000	75,000
Total	1,061,857,524	1,045,362,014
Reimbursements to the Unemployment Compensation Benefit Account	13,034,547	13,295,238
Subtotal, Business and Economic Development	$ 6,753,928,355	$ 6,665,458,332
Retirement and Group Insurance	178,287,375	197,969,087
Social Security and Benefit Replacement Pay	63,026,820	63,187,093
Subtotal, Employee Benefits	$ 241,314,195	$ 261,156,180
Lease Payments	162,805	163,077
Less Interagency Contracts	$ 15,713,085	$ 15,712,360
TOTAL, ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	$ 6,979,692,270	$ 6,911,065,229
Number of Full-time Equivalent Positions (FTE)	19,530.0	19,530.0

ARTICLE VIII

REGULATORY

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

BOARD OF PUBLIC ACCOUNTANCY*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PUBLIC STANDARDS To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors which will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession.		
Outcome (Results/Impact):		
Percentage of Accounting Firms Receiving Favorable Review	97%	97%
A.1.1. Strategy: LICENSING Manage a comprehensive licensing and examination program.	$ 740,507	$ 749,733
Output (Volume):		
Number of Individuals Examined	5,100	5,100
Efficiencies:		
Average Licensing Cost Per Individual License Issued	4.72	4.66
Average Licensing Cost Per Facility License	3.19	3.13
Explanatory:		
Total Number of Individuals Licensed	61,411	63,254
Total Number of Business Facilities Licensed	10,800	11,016
A.1.2. Strategy: EXAMINATION Purchase the Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA) to promote uniformity and reciprocity with other licensing jurisdictions and utilize AICPA grading services to ensure that all papers written by candidates are graded consistently (estimated and nontransferable).	$ 540,000	$ 785,000
A.2.1. Strategy: QUALITY REVIEW Develop and implement a comprehensive quality review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Quality Review Oversight Board.	$ 74,078	$ 77,569
Output (Volume):		
Number of Quality Reviews Conducted	1,895	1,933
Total, Goal A: PUBLIC STANDARDS	$ 1,354,585	$ 1,612,302
B. Goal: PROTECT PUBLIC/ENFORCEMENT To aggressively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.		

*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates $1,514,698 for 2002–03 to the Board of Public Accountancy.

Outcome (Results/Impact):		
Percentage of Complaints Resolved Resulting in Disciplinary Action	32%	32%
B.1.1. Strategy: ENFORCEMENT	$ 571,403	$ 595,453
Operate a system of enforcement which includes investigating and resolving complaints and promulgating rules.		
Output (Volume):		
Total Number of Major Cases Investigated	15	15
Efficiencies:		
Average Time for Complaint Resolution	242	242
C. Goal: PUBLIC EDUCATION		
To inform the public concerning board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation.		
C.1.1. Strategy: PUBLIC INFORMATION	$ 246,907	$ 255,804
Develop and operate a coordinated system of public information to provide all interested parties information concerning statutes governing the accounting profession, as well as board rules and procedures pertaining to qualification, examination, licensing, enforcement, and quality review.		
Output (Volume):		
Number of Written Responses to Other Licensing Authorities and the Public	2,955	3,103
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 799,839	$ 832,895
Grand Total, BOARD OF PUBLIC ACCOUNTANCY	$ 2,972,734	$ 3,296,454
Method of Financing:		
General Revenue Fund	$ 2,917,734	$ 3,241,454
Appropriated Receipts	55,000	55,000
Total, Method of Financing	$ 2,972,734	$ 3,296,454
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 705,493	$ 738,349
Number of Full-Time-Equivalent Positions (FTE):	43.0	43.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$70,000	$70,000
Per Diem of Board Members	16,000	16,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Upgrade LAN	$ 74,710	$ 98,720
Total, Capital Budget	$ 74,710	$ 98,720

2. **Appropriation for Major Cases.** Of amounts appropriated in Strategy B.1.1, Enforcement, $200,000 is available each year of the biennium to be used only for the payment of services rendered by the Texas Attorney General's Office, for legal counsel, for expert witness fees, for other reasonable and necessary expenditures, and for expenditures of the Texas State Board of Public Accountancy, incurred in connection with the prosecution of "major cases" now pending before the Board or anticipated in the future. "Major cases" involve public accounting firms implicated in the audits of savings and loan organizations, financial institutions, insurance companies, and other cases of a major nature.

3. **Purchase of Examinations.** The amount appropriated above in Strategy A.1.2, Examination, shall be expended solely for the purpose of purchasing and grading of the Uniform CPA Examination from the American Institute of Certified Public Accountants.

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

   Behavioral Enforcement
   Continuing Professional Education
   Licensing
   Major Case Enforcement
   Peer Assistance Oversight
   Quality Review
   Qualifications
   Committee on Board Rule Changes
   Technical Standards Review

5. **Contingent Revenue.** Of the amounts appropriated above to the Board of Public Accountancy in Strategy A.1.1, Licensing, the amount of $21,391 in fiscal year 2002 and $25,901 in fiscal year 2003, and in A.2.1, Strategy: Quality Review the amount of $2,495 in fiscal year 2002 and $3,045 in fiscal year 2003 and in B.1.1, Strategy: Enforcement the amount of $19,243 in fiscal year 2002 and $23,372 in fiscal year 2003 and in C.1.1, Strategy: Public Information the amount of $8,315 in fiscal year 2002 and $10,040 in fiscal year 2003 and in D.1.1, Strategy: Indirect Administration the amount of $26,936 in fiscal year 2002 and $32,692 in fiscal year 2003 is contingent on the Board of Public Accountancy assessing fees sufficient to generate, during the 2002–03 biennium, $173,430 in excess of $7,475,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Public Accountancy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Public Accountancy's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

STATE OFFICE OF ADMINISTRATIVE HEARINGS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ADMINISTRATIVE HEARINGS		
To provide Texas state agencies and citizens a fair and efficient administrative hearings and alternative dispute resolution process.		
Outcome (Results/Impact):		
Percentage of Participants Surveyed Expressing Satisfaction with Overall Process	89%	89%
A.1.1. Strategy: CONDUCT HEARINGS	$ 4,923,054	$ 4,966,347
Conduct hearings and prepare proposals for decision (PFDs) and proposed orders and final orders; monitor workloads of Administrative Law Judges (ALJs).		
Output (Volume):		
Number of Administrative License Revocation Cases Docketed and Decided	16,000	16,000
Number of Cases Disposed	23,600	25,900
Number of Administrative Fine Cases Disposed	410	415
Efficiencies:		
Average Cost Per Case	1,500	1,500
Average Number of Days from Close of Record to Issuance of PFD - Major Hearings	55	55
Average Time to Dispose of a Case (Median Number of Days)	80	80
Explanatory:		
Number of Cases Received	25,300	27,800
Number of Agencies Served	53	54
A.2.1. Strategy: CONDUCT ALT DISPUTE RESOLUTION	$ 153,615	$ 155,297
Conduct mediated settlement conferences, mediations, arbitrations and other alternative dispute resolution proceedings.		
Efficiencies:		
Average Cost Per Alternative Dispute Resolution Proceeding	1,700	1,700
Explanatory:		
Number of Alternative Dispute Resolution Cases Requested or Referred	70	70
Total, Goal A: ADMINISTRATIVE HEARINGS	$ 5,076,669	$ 5,121,644
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,013,283	$ 1,023,328
Grand Total, STATE OFFICE OF ADMINISTRATIVE HEARINGS	$ 6,089,952	$ 6,144,972
Method of Financing:		
General Revenue Fund	$ 1,312,355	$ 1,416,845
Appropriated Receipts	100,000	100,000
Interagency Contracts	4,677,597	4,628,127
Total, Method of Financing	$ 6,089,952	$ 6,144,972
Number of Full-Time-Equivalent Positions (FTE):	122.0	122.0
Schedule of Exempt Positions:		
Chief Administrative Law Judge, Group 3	$94,832	$94,832
Supplemental Appropriations Made in Riders:	$ 246,520	$ 17,520

1. **Interagency Contracts.** In executing interagency contracts with state agencies under the jurisdiction of the State Office of Administrative Hearings, the State Office of Administrative Hearings shall establish procedures which will allow agencies to establish a limitation on the aggregate billable amount for a fiscal year.

2. **Renegotiation of Lump Sum Contracts.** Appropriations made above to Strategy A.1.1, Conduct Hearings, include $938,860 in fiscal year 2002 and $938,860 in fiscal year 2003 to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Natural Resource Conservation Commission, appropriations made above to Strategy A.1.1, Conduct Hearings, include $711,938 in fiscal year 2002 and $711,938 in fiscal year 2003 to fund the Utility Division for the purpose of conducting hearings for the Public Utility Commission of Texas, and appropriations made above to Strategy A.1.1, Conduct Hearings, include $2,524,586 in fiscal year 2002 and $2,489,295 in fiscal year 2003 to fund the Administrative License Revocation program for the purpose of conducting hearings for the Department of Public Safety. The State Office of Administrative Hearings, the Natural Resource Conservation Commission, the Public Utilities Commission and the Department of Public Safety may not enter into a contract for an amount less than the specified amounts herein above. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under a contract exceeds the funding necessary for the division funded by that contract, it shall refund the difference. If the State Office of Administrative Hearings determines that these amounts are insufficient to fund either of the named divisions or the Administrative License Revocation program, the State Office of Administrative Hearings may enter into negotiations with the agencies named above in order to renegotiate an interagency contract in a manner which will provide additional funds to the State Office of Administrative Hearings, provided that the State Office of Administrative Hearings shall not be appropriated any state funds from such renegotiated interagency contracts until the State Office of Administrative Hearings gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the affected agency.

3. **Benefit Collection.** Those State of Texas agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than general revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.

4. **Contingency Appropriation for Expanded Jurisdiction.** Contingent on the enactment of legislation by the Seventy-seventh Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.

5. **Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings shall submit to the Legislative Budget Board and the Governor's Office of Budget and Planning a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate, for each agency served, the number of cases received, the number of cases disposed of, the number of administrative fine cases disposed of and the

median number of days between the date a case is received by the State Office of Administrative Hearings and the date the case is finally disposed of, during the reporting period.

6. **Interagency Contract for Administrative Law Judge Training.** Out of funds appropriated above, the State Office of Administrative Hearings shall enter into a contract in the amount of $25,000 with the Texas Center for the Judiciary for training of Administrative Law Judges. Any amounts not expended as of August 31, 2002, are appropriated for the fiscal year beginning September 1, 2002.

7. **Billing Rate for Excess Workload.** Contingent on the referral to the State Office of Administrative Hearings of unanticipated levels of work by any agency for which the State Office of Administrative Hearings provided service during the 2000–01 biennium, the State Office of Administrative Hearings is authorized to bill that agency at a rate of $90 per hour for each hour of work performed during each fiscal year of the biennium that exceeds by ten percent that agency's average annual workload (case related hours) handled by the State Office of Administrative Hearings for the 2000–01 biennium. This rider applies only to agencies that have hearing costs paid through an appropriation of General Revenue to the State Office of Administrative Hearings based upon hearing costs from previous fiscal years.

8. **Contingent Appropriation for House Bill 1618.**
   a. The following provisions are contingent upon the enactment of House Bill 1618, or similar legislation that would assess an additional fee on drivers license reinstatements, the State Office of Administrative Hearings (SOAH) is hereby appropriated $391,120 in fiscal year 2002 and $162,120 in fiscal year 2003 out of the General Revenue Fund. In the "Method of Financing," the General Revenue Fund amounts shall be increased by $391,120 in fiscal year 2002 and $162,120 in fiscal year 2003, and the Interagency Contracts amounts shall be reduced by $144,600 in fiscal year 2002 and $144,600 in fiscal year 2003. The appropriation made above is contingent on the Comptroller of Public Accounts finding the information on the increased fee submitted by the Department of Public Safety sufficient to support the projection of increased fee revenues and issuing a finding of fact to that effect for the contingent appropriation to be made available for the intended purposes. The following agencies are covered by the additional General Revenue appropriation above and are not subject to Rider 7, Billing Rate for Excess Workload:

      (1) Board of Public Accountancy
      (2) Appraisal Certification and Licensing Board
      (3) Board of Architectural Examiners
      (4) Board of Barber Examiners
      (5) Board of Chiropractic Examiners
      (6) Cosmetology Commission
      (7) Credit Union Department
      (8) Board of Dental Examiners
      (9) Board of Professional Engineers
      (10) Funeral Services Commission
      (11) Board of Professional Land Surveying
      (12) Board of Medical Examiners
      (13) Board of Nurse Examiners
      (14) Board of Vocational Nurse Examiners
      (15) Optometry Board
      (16) Structural Pest Control Board
      (17) Board of Pharmacy
      (18) Executive Council of Physical and Occupational Therapy Examiners
      (19) Board of Plumbing Examiners
      (20) Board of Podiatric Medical Examiners
      (21) Board of Examiners of Psychologists

(22) Board of Tax Professional Examiners
(23) Board of Veterinary Medical Examiners

b. In Rider 2, Renegotiation of Lump Sum Contracts, above, the amount of $711,938 of General Revenue in each year of the 2002–03 biennium for the purpose of conducting hearings for the Public Utility Commission and the amounts of $2,524,586 in fiscal year 2002 and $2,489,295 in fiscal year 2003 of State Highway Fund 006 for the purpose of conducting hearings for the Department of Public Safety's Administrative License Revocation program shall no longer be paid to SOAH by interagency contract but shall be transferred to SOAH. In the "Method of Financing," the General Revenue Fund amounts shall increase by $711,938 in each year of the 2002–03 biennium and the Interagency Contracts amounts shall decrease by $3,236,524 in fiscal year 2002 and $3,201,233 in fiscal year 2003. A new "Method of Financing" for State Highway Fund 006 shall be added with the amounts of $2,524,586 and $2,489,295. The State Highway Fund 006 appropriation shall not be used for any other purpose than to conduct hearings for the Department of Public Safety's Administrative License Revocation program.

c. Out of the funds appropriated above in Subsection (a), SOAH may expend the amounts listed below for capital budget items. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for other items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resources Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
1. Purchase Docket Management System	$ 246,520	$ 17,520
Total, Capital Budget	$ 246,520	$ 17,520

d. Out of funds appropriated above in Subsection (a), SOAH shall enter into a contract with the Office of Court Administration for the purpose of implementing the second phase of the docket management system in the amounts of $246,520 in fiscal year 2002 and $17,520 in fiscal year 2003.

BOARD OF ARCHITECTURAL EXAMINERS*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: REGISTRATION STANDARDS To establish and implement quality standards of professional education, internship, and examination for the registration of architects, landscape architects, and interior designers.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99.6%	99.7%
A.1.1. Strategy: REGISTRATION AND RENEWAL Operate an efficient and comprehensive registration system, including initial registration by examination and reciprocity, and the continuing renewal of current registration.	$ 836,882	$ 779,954
Output (Volume):		
Number of New Licenses Issued to Individuals	570	575
Number of Licenses Renewed (Individuals)	18,956	19,146
A.1.2. Strategy: BUY AND GRADE NATIONAL EXAMINATIONS Purchase and grade national examinations. (estimated and nontransferable).	$ 262,000	$ 268,000
Total, Goal A: REGISTRATION STANDARDS	$ 1,098,882	$ 1,047,954
B. Goal: EDUCATION AND ENFORCEMENT To establish and implement an education/enforcement program to promote compliance with laws and rules; and to swiftly and assertively enforce all laws and rules relating to the practice of the profession of architecture, landscape architecture, and interior design to ensure that the public's health, safety, and property are protected from the irresponsible practice of these professions.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	51%	52%
B.1.1. Strategy: PUBLIC INFORMATION Provide information to registrants, the public, building officials, and schools through mailings and presentations regarding architecture, landscape architecture, and interior design.	$ 83,552	$ 84,117
B.2.1. Strategy: ENFORCEMENT Promptly act and proactively enforce all laws regulated by the Board of Architectural Examiners to safeguard the life, health, property and public welfare.	$ 378,077	$ 350,387
Output (Volume):		
Complaints Resolved	358	365
Efficiencies:		
Average Cost Per Investigation	600	600
Total, Goal B: EDUCATION AND ENFORCEMENT	$ 461,629	$ 434,504
Grand Total, BOARD OF ARCHITECTURAL EXAMINERS	$ 1,560,511	$ 1,482,458

*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates $728,624 for 2002–03 to the Board of Architectural Examiners.

Method of Financing:		
General Revenue Fund	$ 1,553,616	$ 1,475,238
Appropriated Receipts	6,895	7,220
Total, Method of Financing	$ 1,560,511	$ 1,482,458
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 333,719	$ 345,197
Number of Full-Time-Equivalent Positions (FTE):	19.0	19.0
Number of FTEs in Riders:	2.0	2.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$65,000	$65,000
Per Diem of Board Members	5,340	5,340
Supplemental Appropriations Made in Riders:	$ 290,000	$ 100,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Acquisition of Workstations & Office Equipment	$ 23,300	$ 0
Total, Capital Budget	$ 23,300	$ 0

2. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates are established pursuant to VTCA, Government Code Chapter 316, § 316.041-316.045, to be effective during fiscal years 2002–03, beginning September 1, 2001, and September 1, 2002.

	2002		2003	
(1) NCARB Examination Fee	NTE	$981	NTE	$981
(2) LARE Examination Fee	NTE	$645	NTE	$670
(3) NCIDQ Examination Fee	NTE	$655	NTE	$655

Any fee rates established or modified by the Board of Architectural Examiners during the 2002–03 biennium, other than those identified in this Act, shall be at the discretion of the Board as authorized by statute.

3. **Examination Fee for Architects.** The Board of Architectural Examiners may charge in excess of $981 for the examination fee for architects provided: 1) the Board aggressively pursues actions to reduce the cost of the national examination fee; and 2) no later than August 1 of each fiscal year, the Board shall submit a report to the Legislative Budget Board which

includes the actions taken by the Board to reduce the examination rate and the proposed fee to be charged effective September 1 of each fiscal year. In the event the Legislative Budget Board determines that the Board's efforts have not resulted in a reasonable examination fee, the Board of Architectural Examiners shall take appropriate steps to develop a state examination for architects.

4. **Contingent Revenue.** Of the amounts appropriated above to the Board of Architectural Examiners in Strategy A.1.1, Registration and Renewal, the amount of $94,056 in fiscal year 2002 and $31,740 in fiscal year 2003 and for the purpose of hiring an additional investigator in Strategy B.2.1 Enforcement, the amount of $89,805 in fiscal year 2002 and $62,115 in fiscal year 2003 is contingent on the Board of Architectural Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $306,591 in excess of $5,106,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Architectural Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two in 2002 and two in 2003. The Board of Architectural Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Architectural Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.

5. **Scholarship Fund Balances and Revenue Appropriation:** In addition to the amounts above, the Texas Board of Architectural Examiners is appropriated any unexpended balances remaining as of August 31, 2001 from the sums collected by the Board during the 2000-01 biennium for the examination fee scholarship program established by the 76th Legislature through the enactment of House Bill 1248 (estimated to be $190,000) and all revenues collected by the Board during the 2002-03 biennium for the examination fee scholarship program (estimated to be $200,000).

BOARD OF BARBER EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EXAMINE AND LICENSE To protect the consumer by ensuring that applicants for licensure receive a prescribed course of study from qualified instructors and that all licensees are informed of changes in the laws and rules governing barbering. To examine and license all qualified individuals.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
A.1.1. Strategy: LICENSING Examine and license barbers, specialists, and teachers in Texas.	$ 219,059	$ 181,071
Output (Volume):		
Number of New Licenses Issued to Individuals	900	900
Number of Licenses Renewed (Individuals)	9,000	9,000

BOARD OF BARBER EXAMINERS
(Continued)

B. Goal: ENFORCEMENT To provide timely inspections of barbershops and barber schools; to enforce effectively the rules and regulations set forth and ensure the compliance of barber laws and regulations by the barbershops, specialty shops, schools and individual licensees. Additionally, to resolve complaints and violations on a timely basis for the protection of the consumer.		
B.1.1. Strategy: INVESTIGATIONS	$ 370,875	$ 368,550
Operate a system of enforcement which includes investigating and resolving complaints and positioning of inspectors in each of the state's enforcement areas.		
Output (Volume):		
Complaints Resolved	30	30
Efficiencies:		
Average Time for Complaint Resolution	55	55
Grand Total, BOARD OF BARBER EXAMINERS	$ 589,934	$ 549,621
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 268,751	$ 286,586
Number of Full-Time-Equivalent Positions (FTE):	14.0	14.0
Schedule of Exempt Positions:		
Executive Director	$45,000	$45,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Hardware and Software	$ 15,000	$ 0
b. Acquisition of Capital Equipment and Items		
(1) Telephone Handsets	1,925	0
(2) Modular Furniture for Relocation	$ 12,000	$ 0
Total, Acquisition of Capital Equipment and Items	$ 13,925	$ 0
Total, Capital Budget	$ 28,925	$ 0

2. **Enforcement and Colocation.** None of the funds appropriated above shall be expended unless:
   a. an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2002–03 biennium; and
   b. the colocation of Board of Barber Examiners with the Cosmetology Commission in the Frank Joseph Cosmetology State Office Building is complete by January 1, 2002.

   A copy of the signed crossover enforcement contract, colocation plan, and letter stating that colocation is complete shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller of Public Accounts.

3. **Fee Rates.** The amounts appropriated above may be expended only if the barber certificate renewal fee is no less than $70 per renewal period.

4. **Contingent Revenue.** Of the amounts appropriated above to the Board of Barber Examiners, the amount of $37,988 in fiscal year 2002 in Strategy A.1.1, Licensing, and the amount of $2,325 in fiscal year 2002 in Strategy B.1.1, Investigations, are contingent upon the Board of Barber Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $40,313 in excess of $1,956,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Barber Examiners shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF CHIROPRACTIC EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENSURE PUBLIC PROTECTION		
To pursue the avenues of examination, licensure, and enforcement to insure that only qualified individuals are licensed as Doctors of Chiropractic, and that they are abiding by the laws and rules governing chiropractic in Texas; to guarantee that the public is protected from incompetent services, fraud, and misrepresentation.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	17%	17%
A.1.1. Strategy: LICENSING SYSTEM	$ 170,481	$ 170,798
Operate an efficient, cost-effective, and comprehensive chiropractic certification and licensure system.		
Output (Volume):		
Number of New Licenses Issued to Individuals	315	325
Number of Licenses Renewed (Individuals)	4,436	4,569
Efficiencies:		
Average Licensing Cost Per Individual License Issued	9.5	9.5
Average Licensing Cost Per Facility License Issued	5.3	5.3
Explanatory:		
Total Number of Business Facilities Licensed	2,546	2,623
A.2.1. Strategy: ENFORCEMENT	$ 172,873	$ 172,874
Operate a system of enforcement which includes investigating and resolving complaints.		

BOARD OF CHIROPRACTIC EXAMINERS
(Continued)

Output (Volume):		
Number of Complaints Resolved	240	240
Efficiencies:		
Average Time Per Complaint Resolution (Days)	90	90
Explanatory:		
Number of Jurisdictional Complaints Received	300	310
Total, Goal A: ENSURE PUBLIC PROTECTION	$ 343,354	$ 343,672
Grand Total, BOARD OF CHIROPRACTIC EXAMINERS	$ 343,354	$ 343,672
Method of Financing:		
General Revenue Fund	$ 330,347	$ 330,665
Appropriated Receipts	13,007	13,007
Total, Method of Financing	$ 343,354	$ 343,672
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 137,826	$ 144,484
Number of Full-Time-Equivalent Positions (FTE):	7.0	7.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000
Per Diem of Board Members	4,050	4,050

1. **Contingent Revenue.** Of the amounts appropriated above to the Board of Chiropractic Examiners in A.1.1. Strategy: Licensing System, the amount of $628 in fiscal year 2002 and $946 in fiscal year 2003 is contingent on the Board of Chiropractic Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $1,680 in excess of $1,624,000, (Object Code 3562), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Chiropractic Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Chiropractic Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

COSMETOLOGY COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING & ENFORCEMENT To protect the public by licensing the cosmetology profession, establishing standards for professional practice, and ensuring swift, fair, and effective enforcement of the statute so that consumers are protected from incompetent services, fraud, and misrepresentation.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Complaints Resulting in Disciplinary Action	30%	30%

A.1.1. Strategy: LICENSING	$ 774,772	$ 630,921
Examine applicants and issue individual and establishment licenses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	17,950	17,950
Number of Licenses Renewed (Individuals)	78,550	78,550
Efficiencies:		
Average Licensing Cost Per Individual License Issued	3.6	3.6
Average Licensing Cost Per Facility License	3.6	3.6
A.2.1. Strategy: ENFORCEMENT	$ 1,166,934	$ 1,116,845
Enforce laws and rules by conducting inspections and investigations and, upon review of complaints, recommending disciplinary or other action to be taken.		
Output (Volume):		
Complaints Resolved	420	420
Individual Licensees Inspected	40,000	40,000
Establishments Inspected	20,500	20,500
Efficiencies:		
Average Time for Complaint Resolution	30	25
A.3.1. Strategy: PUBLIC INFORMATION	$ 408,112	$ 288,523
To distribute information to the general public and the cosmetology community.		
Output (Volume):		
Number of Information Packets Distributed to Individuals and Establishments	70,000	70,000
Total, Goal A: LICENSING & ENFORCEMENT	$ 2,349,818	$ 2,036,289
Grand Total, COSMETOLOGY COMMISSION	$ 2,349,818	$ 2,036,289
Method of Financing:		
General Revenue Fund	$ 2,019,052	$ 1,826,289
Appropriated Receipts	330,766	210,000
Total, Method of Financing	$ 2,349,818	$ 2,036,289
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 759,272	$ 790,103
Number of Full-Time-Equivalent Positions (FTE):	44.5	44.5
Schedule of Exempt Positions:		
Executive Director, Group 1	$46,338	$46,338
Per Diem of Commissioners	4,000	4,000
Supplemental Appropriations Made in Riders:	$ 70,000	$ 0

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Construction of Buildings and Facilities	$ 33,233	$ 0
b. Acquisition of Information Resource Technologies		
(1) Purchase Telephone System	64,000	0
Total, Capital Budget	$ 97,233	$ 0

2. **Enforcement and Colocation.** None of the funds appropriated above shall be expended unless:
   a. an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2002–03 biennium;
   b. the Cosmetology Commission is moved within Frank Joseph Cosmetology State Office Building to accommodate the Board of Barber Examiners by October 1, 2001; and
   c. the colocation of the Board of Barber Examiners with the Cosmetology Commission in the Frank Joseph Cosmetology State Office Building is complete by January 1, 2002.

   A copy of the signed crossover enforcement contract, colocation plan, and letter stating that colocation is complete shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning and the Comptroller of Public Accounts.

3. **Appropriation: Tuition Protection Account.** The Cosmetology Commission is hereby appropriated an amount not to exceed $70,000 for the biennium beginning September 1, 2001, from balances on hand in the Private Beauty Culture (Cosmetology) School Tuition Account No. 108 in the General Revenue Fund for the purposes of paying expenses and refunds authorized by the commission under the provisions of Occupations Code, §§ 1602.463 and 1602.464.

4. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall not be less than:

   a. License and Renewal Fees:

(1)	Individual Licenses	$43.00
(2)	Instructor Licenses	$60.00
(3)	Salon Licenses	$55.00
(4)	Independent Contractor	$55.00

   b. Duplicate License Fees:

(1)	All Licenses	$43.00

5. **Limitation on Travel Expenditures.** Reimbursements for travel expenditures of the Director of Enforcement shall be limited to $5,000 per year and may only be expended for inspections and investigations.

6. **Cosmetology School Inspections.** Cosmetology schools, with the exception of schools in districts without a designated inspector, shall be inspected by an inspector assigned to that district. Schools located in districts without a designated inspector may be inspected by the Director of Enforcement.

COSMETOLOGY COMMISSION
(Continued)

7. **Limitation on Out-of-State Travel.** None of the funds appropriated above may be used for expenditures or reimbursements of expenditures for out-of-state travel, except for the Executive Director and no more than one commission member per trip.

8. **Overnight Travel.** It is the intent of the Legislature that the Cosmetology Commission shall maintain written overnight travel policies and procedures.

9. **Redistricting.** It is the intent of the Legislature that the Cosmetology Commission redraw the boundaries of the inspection districts to align with the number of inspectors that are on staff at the agency.

10. **Contingent Revenue.** Of the amounts appropriated above to the Cosmetology Commission, the amount of $80,263 in fiscal year 2002 in Strategy A.1.1, Licensing, the amount of $21,500 in fiscal year 2002 in Strategy A.2.1, Enforcement, and the amount of $21,000 in fiscal year 2002 in Strategy A.3.1, Public Information, are contingent upon the Cosmetology Commission assessing fees sufficient to generate, during the during the 2002–03 biennium, $122,763 in excess of $12,406,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Cosmetology Commission shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

CREDIT UNION DEPARTMENT

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE SUPERVISION & REGULATION To effectively supervise and regulate state-chartered credit unions through enforcement of safety and soundness standards and compliance with the Texas Finance Code, and in a manner that balances the interest of the membership and the need for public confidence in the credit union system.		
Outcome (Results/Impact):		
Percentage of Credit Unions Receiving Regular Examinations Annually	94.5%	96%
Percentage of Safe and Sound Credit Unions	91%	91%
Percentage of Complete Charter and Bylaw Applications Approved or Denied within 60 Days	93%	93%
A.1.1. Strategy: EXAMINE CREDIT UNIONS Examine and monitor state-chartered credit unions for safe and sound operations and compliance with all applicable state and federal laws, rules and regulations based on a schedule determined by the credit unions' perceived risk, in the most efficient and effective manner possible.	$ 1,357,880	$ 1,397,917
Output (Volume):		
Number of Examinations Performed	261	261
Efficiencies:		
Average Cost Per Regular Examination	5,200	5,200

Explanatory:		
Number of State-chartered Credit Unions	253	250
Percentage of Credit Unions Providing Services to Low Income or Underserved Populations	5%	5%
A.2.1. Strategy: PROCESS APPLICATIONS Process, investigate and evaluate applications for amendments to bylaws and articles of incorporation, new charters, mergers/consolidations; submit requests for hearings on contested decisions to the State Office of Administrative Hearings; and follow state laws and rules regarding notification of applications received and final actions taken.	$ 82,181	$ 77,279
Output (Volume):		
Number of Applications Processed	110	110
Total, Goal A: EFFECTIVE SUPERVISION & REGULATION	$ 1,440,061	$ 1,475,196
B. Goal: ENSURE SAFETY AND SOUNDNESS Through interaction with the Credit Union Commission and the Legislature, recommend statutory and rule changes to ensure that credit unions operate in a safe and sound manner in a competitive and ever changing financial services industry.		
Outcome (Results/Impact):		
Percentage of Rule Changes Provided to Credit Unions within 60 Days after Adoption	100%	100%
B.1.1. Strategy: DEPARTMENTAL OVERSIGHT Provide oversight of departmental operations.	$ 83,387	$ 81,691
Grand Total, CREDIT UNION DEPARTMENT	$ 1,523,448	$ 1,556,887
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 337,177	$ 361,056
Number of Full-Time-Equivalent Positions (FTE):	26.0	26.0
Number of FTEs in Riders:	3.0	5.0
Schedule of Exempt Positions:		
Commissioner, Group 3	$95,000	$95,000
Per Diem of Commission Members	540	540
Supplemental Appropriations Made in Riders:	$ 120,000	$ 192,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 21,782	$ 0
Total, Capital Budget	$ 21,782	$ 0

2. **Appropriation: Supervisions and Conservatorships.** Funds received by the Credit Union Department pursuant to supervision or conservatorship proceedings, as authorized by the Texas Finance Code (VTCA, § 126.101), are hereby appropriated for costs related to such proceedings, including the salary and per diem of the appointed supervisor or conservator.

3. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the Legislative Advisory Committee.

4. **Appropriation: Educational and Examination Receipts.** Funds received by the Credit Union Department to support staff attendance at graduate schools of banking, seminars, conferences, or other training or education activity considered by the commissioner to be of benefit to the department are hereby appropriated to the department for such purposes. The Texas Credit Union Department is also authorized to accept funds for reimbursement from the National Credit Union Share Insurance Fund, or any other insurer, for costs incidental or necessary to examination and supervision of credit unions.

5. **Contingency Appropriation: Regulatory Response.**

   a. Contingent upon a finding of fact by the Credit Union Commission that either:

      (1) the size of the state-chartered credit union industry under the jurisdiction of the Credit Union Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of credit unions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (3) a reduction of federal regulatory resources applied to the Texas state-chartered credit union industry by the National Credit Union Administration has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;

   the following amounts, or any part thereof as found to be necessary by the Credit Union Commission, are hereby appropriated to the Texas Credit Union Department out of the General Revenue Fund in an amount not to exceed $120,000 for fiscal year 2002 and an amount not to exceed $192,000 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 3 for fiscal year 2002 and 5 for fiscal year 2003.

b. None of the funds appropriated pursuant to this provision may be expended by the Texas Credit Union Department unless:

(1) the Credit Union Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and,

(2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

(3) the appropriations in item 5(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $3,420,173 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The revenue amounts required by this section shall be separate from, and addition to, the requirement in Section 6 below.

6. **Contingent Revenue.** Of the amounts appropriated above to the Credit Union Department in Strategy A.1.1, Examine Credit Unions, the amount of $136,548 in fiscal year 2002 and $177,610 in fiscal year 2003, and in Strategy A.2.1, Process Applications, the amount of $4,357 in fiscal year 2002, and in Strategy B.1.1, Departmental Oversight, the amount of $3,267 in fiscal year 2002, is contingent on the Credit Union Department assessing fees sufficient to generate, during the 2002–03 biennium, $406,622 in excess of $3,420,173 (Object Code 3172), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Credit Union Department, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

TEXAS STATE BOARD OF DENTAL EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: QUALITY DENTAL CARE		
To ensure quality dental care for the people of Texas.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	12.5%	12.5%
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: COMPLAINT RESOLUTION	$ 749,189	$ 744,589
Conduct enforcement and compliance functions including: investigating all complaints; prosecuting those complaints through informal or formal disciplinary means; pursuing compliance with disciplinary actions and conditions; and, interacting with the public and profession on matters of law and rules.		
Output (Volume):		
Number of Complaints Resolved	500	500

Efficiencies:		
Average Time for Complaint Resolution	315	315
Explanatory:		
Number of Jurisdictional Complaints Received	500	500
A.1.2. Strategy: PEER ASSISTANCE PROGRAM	$ 131,903	$ 131,903
Operate a Peer Assistance Program.		
Output (Volume):		
Number of Licensed Individuals Participating in a Peer Assistance Program	80	80
A.2.1. Strategy: LICENSURE & REGISTRATION	$ 503,686	$ 504,651
Conduct a timely and cost effective licensing and registration process for dentists, dental hygienists, dental health care workers, and dental laboratories including a comprehensive and efficient system of administering and evaluating dental, dental hygiene, and auxiliary examinations.		
Output (Volume):		
Number of New Licenses Issued to Individuals	800	800
Number of Licenses Renewed (Individuals)	19,932	20,032
Efficiencies:		
Average Licensing Cost Per Individual License Issued	8	8
Average Licensing Cost Per Facility License Issued	8.5	8.5
Explanatory:		
Total Number of Business Facilities Licensed	1,050	1,050
Total, Goal A: QUALITY DENTAL CARE	$ 1,384,778	$ 1,381,143
Grand Total, TEXAS STATE BOARD OF DENTAL EXAMINERS	$ 1,384,778	$ 1,381,143
Method of Financing:		
General Revenue Fund	$ 1,247,223	$ 1,243,587
Appropriated Receipts	137,555	137,556
Total, Method of Financing	$ 1,384,778	$ 1,381,143
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 415,282	$ 429,997
Number of Full-Time-Equivalent Positions (FTE):	27.0	27.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$63,000	$63,000
Per Diem of Board Members	21,840	21,840

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

   a. Dental Hygiene Advisory Committee
   b. Dental Laboratory Certification Council

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas State Board of Dental Examiners in A.1.1. Strategy: Complaint Resolution, the amount of $39,168 in fiscal year 2002 and $34,568 in fiscal year 2003, and in A.2.1. Strategy: Licensure and Registration, $1,899 in fiscal year 2002 and $2,863 in fiscal year 2003 is contingent on the Texas State Board of Dental Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $96,394 in

excess of $3,304,000 (Object Code 3562), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Dental Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

3. **Documentation and Record Keeping.** The Texas State Board of Dental Examiners shall work with the Texas Department of Health and the Health and Human Services Commission to establish and adopt a minimum standard of documentation and record keeping for dentists that applies equally to all patients regardless of pay status.

BOARD OF PROFESSIONAL ENGINEERS*

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMPETENT LICENSEES		
Provide a licensing system to assure that professional engineering in Texas is practiced only by qualified and competent Texas licensees.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99.7%	99.7%
A.1.1. Strategy: REGISTRATION & EVALUATION	$ 437,489	$ 437,489
Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified.		
Output (Volume):		
Number of New Licenses Issued to Individuals	1,400	1,400
Efficiencies:		
Average Licensing Cost Per Individual License Issued	25	25
A.1.2. Strategy: EXAMINATIONS	$ 282,225	$ 282,225
Purchase, grade, and administer the engineering examinations provided by the National Council of Examiners for Engineering and Surveying (NCEES) required for registration. (estimated and nontransferable).		
A.1.3. Strategy: REGISTRY SERVICES	$ 522,310	$ 522,310
Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency.		
Output (Volume):		
Number of Licenses Renewed (Individuals)	47,800	48,100
Total, Goal A: COMPETENT LICENSEES	$ 1,242,024	$ 1,242,024
B. Goal: ENFORCE ENGINEERING ACT		
To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	32%	32%

*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates $1,070,500 for 2002–03 to the Board of Professional Engineers.

BOARD OF PROFESSIONAL ENGINEERS
(Continued)

B.1.1. Strategy: ENFORCEMENT Investigate and reach final resolution of reported violations.	$ 390,276	$ 390,276
Output (Volume):		
Complaints Resolved	300	300
Efficiencies:		
Average Cost Per Complaint Investigation	295	295
Grand Total, BOARD OF PROFESSIONAL ENGINEERS	$ 1,632,300	$ 1,632,300
Method of Financing:		
General Revenue Fund	$ 1,623,600	$ 1,623,600
Appropriated Receipts	8,700	8,700
Total, Method of Financing	$ 1,632,300	$ 1,632,300
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 331,365	$ 349,988
Number of Full-Time-Equivalent Positions (FTE):	25.0	25.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$75,000	$75,000
Per Diem of Board Members	6,500	6,500

FINANCE COMMISSION OF TEXAS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: INSURE SAFETY AND SOUNDNESS To insure that the regulated financial institutions operate in a safe and sound manner and comply with all applicable state laws.		
A.1.1. Strategy: DEPARTMENTAL OVERSIGHT Provide oversight of departmental operations.	$ 197,970	$ 197,970
Output (Volume):		
Number of Cases Set for Hearing	200	200
Grand Total, FINANCE COMMISSION OF TEXAS	$ 197,970	$ 197,970
Number of Full-Time-Equivalent Positions (FTE):	1.5	1.5
Schedule of Exempt Positions:		
Executive Director (part time)	$6,427	$6,427
Per Diem of Commission Members	2,160	2,160

1. **Unexpended Balance: Credit Research.** Any unexpended and unobligated balances remaining from appropriations for research on the availability of credit as of August 31, 2002, in an amount not to exceed $100,000 out of revenues collected from Loan Administration Fees, are hereby appropriated to the Finance Commission for the same purpose for the fiscal year beginning September 1, 2002.

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Finance Commission are made contingent on the continuation of the Finance Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

DEPARTMENT OF BANKING

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EFFECTIVE REGULATION To ensure timely, fair, and effective supervision and regulation of the financial institutions and other licensees under our jurisdiction in order to promote a stable banking and financial services environment and provide the public with convenient, safe and competitive financial services.		
Outcome (Results/Impact):		
Percentage of Banks Receiving Examinations When Due	95%	95%
Percentage of Currency Exchange Licensees Examined by Special Audit When Due	90%	90%
Percentage of Bank and Trust, Sale of Check and Currency Exchange Applications Completed within the Statutory Time Period	90%	90%
A.1.1. Strategy: BANK EXAMINATION Conduct commercial bank, trust company, foreign bank agency, and foreign representative office examinations, in cooperation with federal regulatory entities, in conformance with the examination priority schedule. Maintain national accreditation. Maintain contact with, and monitor the condition of, regulated entities between examinations. Optimize efficiencies in the examination process, including automating examination procedures and reference materials. Research and report on new regulatory responses to changing industry and economic conditions. Provide the industry with electronic access to regulatory and supervisory information through the website.	$ 7,066,235	$ 7,065,866
Output (Volume):		
Number of Bank and Foreign Bank Examinations Performed	140	140
Number of Trust Company, Trust Department, and Electronic Data Processing Examinations or Certifications and Other Specialized Reviews Performed	135	145
Explanatory:		
Percentage of State-chartered Bank Assets in Banks Classified as Safe and Sound	98%	98%
A.2.1. Strategy: NON-BANK EXAMINATION Perform examinations based on examination priorities in coordination with state and federal regulatory and law enforcement agencies; monitor examination schedules and results to ensure exams are being performed within examination priority parameters; and coordinate with Legal Division to issue appropriate enforcement actions.	$ 1,130,824	$ 1,117,784

Output (Volume):		
Number of Special Audit Licensees Examined	690	690
A.3.1. Strategy: APPLICATION PROCESSING Enhance current systems through the automation of applications and request processing by the efficient utilization of computer and other technologies. Develop a Bank and Trust Applications Filing and Procedures Guide. Process applications and information.	$ 373,965	$ 373,839
Output (Volume):		
Number of Bank and Trust Applications, Notices, Filings and Currency Exchange and Sale of Check New Licensee Applications Completed	350	335
Total, Goal A: EFFECTIVE REGULATION	$ 8,571,024	$ 8,557,489
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,679,099	$ 1,674,412
Grand Total, DEPARTMENT OF BANKING	$ 10,250,123	$ 10,231,901
Method of Financing:		
General Revenue Fund	$ 10,145,123	$ 10,126,901
Federal Funds	75,000	75,000
Appropriated Receipts	30,000	30,000
Total, Method of Financing	$ 10,250,123	$ 10,231,901
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 2,061,223	$ 2,140,517
Number of Full-Time-Equivalent Positions (FTE):	149.0	149.0
Number of FTEs in Riders:	66.5	66.5
Schedule of Exempt Positions:		
Commissioner, Group 4	$112,000	$112,000
Supplemental Appropriations Made in Riders:	$ 4,355,432	$ 4,355,432

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Equipment	$ 175,000	$ 100,000
Total, Capital Budget	$ 175,000	$ 100,000

2. **Appropriation of Receipts.** Funds received by the Department of Banking pursuant to supervision or conservatorship proceedings as authorized under Texas Finance Code, § 35.101-35.113, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisor or conservator (estimated to be $5,000 each year).

3. **Contingency Appropriation: State Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that the number of exams required for the state-chartered commercial banking industry under the jurisdiction of the Department of Banking, determined either as a function of assets, number of institutions, or relative proportion of problem banks or problem bank assets in the state system, increases to a point where additional appropriations are required to maintain adequate regulation of the industry, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $1,673,243 for fiscal year 2002 and $1,673,243 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 25.5 for fiscal year 2002 and 25.5 for fiscal year 2003.

   b. Contingent upon a reduction of federal regulatory resources applied to the Texas state-chartered commercial banking industry, determined as a function of assets, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed $2,677,189 for fiscal year 2002 and $2,677,189 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 41 for fiscal year 2002 and 41 for fiscal year 2003.

   c. None of the funds appropriated in items 3(a) or 3(b) above may be expended by the Department of Banking unless the Finance Commission files a finding of fact with the Governor's Office of Budget and Planning and the Legislative Budget Board and neither the Governor's Office of Budget and Planning nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

   d. The appropriations in items 3(a) and 3(b) are also contingent upon the Department of Banking generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues must exceed $9,438,107 for fiscal year 2002 and $9,418,366 for fiscal year 2003 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.

4. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Department of Banking are made contingent on the continuation of the Office of Banking Commissioner by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

5. **Federal Per Diem Authorized.** Financial examiners employed by the Department of Banking when (1) traveling on official state business relating to the examination function and (2) participating in either a joint or a concurrent examination with the primary federal regulator may be authorized reimbursement for travel expenses, including mileage, at a rate equal to the primary federal regulator.

6. **Contingent Revenue.** Of the amounts appropriated above to the Department of Banking in Strategy A.1.1, Bank Examination, the amount of $984,000 in fiscal year 2002 and the amount of

$984,000 in fiscal year 2003 and in Strategy A.2.1, Non-bank Examination, the amount of $216,000 in fiscal year 2002 and $216,000 in fiscal year 2003 is contingent on the Department of Banking assessing fees sufficient to generate, during the 2002–03 biennium, $3,078,720 in excess of $19,791,473 (Object Code 3175 and 3172), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Department of Banking, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the commission meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

7. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

8. **Commissioner's Salary.** Should the Finance Commission not be continued by the Legislature in fiscal year 2002 and fiscal year 2003, the amount specified in the schedule of exempt positions for the salary of the Commissioner, the Department of Banking shall be $118,427 in fiscal year 2002 and $118,427 in fiscal year 2003.

9. **Relocation Austin Regional Office.** It is the intent of the Seventy-seventh Legislature that the Department of Banking perform a study to provide options of relocating its Austin Regional Office with thirteen full-time-equivalent positions (FTEs) outside Austin to a more cost-effective location and complete a report on the results of the study by January 1, 2003. Based on the report, the Department of Banking shall move its Austin Regional Office and 13 FTEs to the most cost-effective location at the end of the lease term on August 31, 2003.

10. **Contingent Transfer.** Should the Finance Commission not be continued by the Legislature in fiscal year 2002 and fiscal year 2003, the appropriations of $197,970 each fiscal year shall be transferred to the Department of Banking in fiscal year 2002 and in fiscal year 2003.

OFFICE OF CONSUMER CREDIT COMMISSIONER

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EFFECTIVE ENFORCEMENT To ensure prompt, fair, and effective enforcement of appropriate state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.		
Outcome (Results/Impact): Percent of Written Complaints Resolved within 90 Calendar Days	95%	95%
A.1.1. Strategy: COMPLAINT RESOLUTION Resolve consumer complaints expeditiously and identify problem creditors and industry practices, and advise creditors and industry through information bulletins as a preventive measure.	$ 175,000	$ 175,000

Output (Volume):		
Number of Complaints Closed	5,000	5,000
Number of Field Investigations Initiated	80	80
B. Goal: CONSUMER PROTECTION		
To provide a quality program of consumer protection and licensure that ensures high standards for licensed credit providers and efficiently serves the market demand for fair but competitive consumer credit.		
Outcome (Results/Impact):		
Percentage of Examinations Reporting Acceptable Level of Compliance	95%	95%
Monies Returned to Consumers from Licensed Lenders	500,000	500,000
B.1.1. Strategy: EXAMINATION AND ENFORCEMENT Examine regulated lenders and pawnshops to determine the level of compliance with appropriate statutes and regulations and initiate administrative enforcement action against licensees who commit serious violations.	$ 1,373,830	$ 1,373,830
Output (Volume):		
Number of Compliance Examinations Performed	2,200	2,300
B.2.1. Strategy: LICENSING INVESTIGATION Investigate and process applications for regulated loan, pawnshop, and pawnshop employee licenses. Continue efforts to identify unregistered creditors and achieve compliance with registration requirements.	$ 554,169	$ 554,169
Output (Volume):		
Number of Business Applications Processed	850	850
Number of Employee License Applications Processed	2,400	2,500
Total, Goal B: CONSUMER PROTECTION	$ 1,927,999	$ 1,927,999
C. Goal: CREDIT EDUCATION		
To educate consumers and credit providers about their rights, remedies and responsibilities, and to encourage communication and cooperation between the credit industry, the consumer public, and the agency.		
Outcome (Results/Impact):		
Percentage of Texans Reached through Public Service Announcements, Press Releases, and Distribution of Pamphlets	12%	12%
C.1.1. Strategy: CONSUMER EDUCATION Continue establishment of a formal education program to include public service announcements, press releases, and general information brochures made available through credit grantors and trade organizations.	$ 70,000	$ 70,000
Output (Volume):		
Number of Consumers Receiving In-person Services	15,000	15,000
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 269,499	$ 269,499
Grand Total, OFFICE OF CONSUMER CREDIT COMMISSIONER	$ 2,442,498	$ 2,442,498
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 579,474	$ 612,034
Number of Full-Time-Equivalent Positions (FTE):	47.0	47.0

Schedule of Exempt Positions:

Commissioner, Group 3	$90,000	$90,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 45,000	$ 45,000
Total, Capital Budget	$ 45,000	$ 45,000

2. **Appropriation: Criminal Record Check Receipts.** Funds appropriated above in Strategy B.2.1, Licensing Investigation, include receipts collected pursuant to § 14.151, Texas Finance Code, VTCA. Contingent upon certification by the Office of Consumer Credit Commissioner and verification by the Comptroller, all fees collected in excess of $127,000 each year of the biennium are hereby appropriated to the Office of the Consumer Credit Commissioner. These funds shall be used for the sole purpose of acquiring criminal record checks from the Department of Public Safety, Federal Bureau of Investigation, or other law enforcement agency.

3. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Office of Consumer Credit Commissioner are made contingent on the continuation of the Office of Consumer Credit Commissioner by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

4. **Relocation of Financial Examiner Position.** It is the intent of the Legislature that the Office of Consumer Credit Commissioner shall relocate one Full-time Equivalent (FTE) financial examiner classified position from the FTEs authorized above to the City of El Paso at the beginning of fiscal year 2002.

5. **Contingent Revenue.** Of the amounts appropriated above to the Office of Consumer Credit Commissioner in Strategy B.1.1, Examination and Enforcement, the amount of $114,630 in fiscal year 2002 and $114,630 in fiscal year 2003 is contingent on the Office of Consumer Credit Commissioner assessing fees sufficient to generate, during the 2002–03 biennium, $294,095 in excess of $5,738,000 (Object Code 3172, 3174, and 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Office of Consumer Credit Commissioner, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium

under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

6. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

SAVINGS AND LOAN DEPARTMENT

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SAFETY AND SOUNDNESS To aggressively enforce safety and soundness standards in the state chartered thrift industry and compliance with the Texas Finance Code in a manner that is constructive and maintains the interest of depositors, creditors, and borrowers of savings institutions as paramount.		
Outcome (Results/Impact):		
Percent of State-chartered S&Ls and Savings Banks Receiving Examinations as Required by Priority Schedule	100%	100%
Percent of Safe and Sound Institutions to Total S&Ls and Savings Banks	95%	95%
Percentage of Applications Receiving Final Action within Statutory Time Frames	100%	100%
A.1.1. Strategy: EXAMINATION Perform full and limited scope examinations and participate with federal regulators in examinations according to the Priority Examination schedule.	$ 527,689	$ 527,646
Output (Volume):		
Number of Examinations Performed	25	25
Explanatory:		
Number of State-chartered S&Ls and Savings Banks	34	34
Dollar Amount of Assets under Regulation (in Billions)	14.5	14.6
A.2.1. Strategy: MONITORING Identify and investigate areas of unsafe and unsound activity or adverse financial indicators such as declining capital, increasing classified assets, and operating losses. Maintain supervisory profile for each S&L and savings bank; and maintain database of persons who have been the subject of criminal referrals. Review and evaluate reports, correspondence and requests for approval of discretionary matters.	$ 92,581	$ 92,738
Efficiencies:		
Average Time (Business Days) to Complete Analysis of Quarterly Financial Data	2	2
A.2.2. Strategy: ENFORCEMENT Determine and institute appropriate regulatory responses to resolve supervisory problems in state-chartered institutions, including directives of the Commissioner or informal	$ 112,899	$ 112,871

agreements, and formal enforcement actions such as a cease and desist order or conservatorship. Coordinate regulatory response with federal regulators.		
Output (Volume):		
Number of Formal and Informal Regulatory Actions	2	2
A.3.1. Strategy: APPLICATION PROCESSING	$ 45,933	$ 45,919
Process, investigate and evaluate applications for new charters, new branch offices, mergers, acquisitions, and subsidiary investments, including scheduling of hearings, maintaining thrift institution corporate records and application submission and approval logs as required.		
Output (Volume):		
Number of Applications Processed	15	15
Total, Goal A: SAFETY AND SOUNDNESS	$ 779,102	$ 779,174
B. Goal: MORTGAGE BROKER LICENSING		
To ensure timely and effective license issuance and renewal for eligible mortgage brokers and loan officers; to oversee and enforce appropriate standards, laws and regulations for licenses.		
B.1.1. Strategy: MORTGAGE BROKER LICENSING	$ 388,127	$ 378,127
Process, investigate and evaluate mortgage broker and loan officer license applications; establish continuing education course standards; enforce compliance with standards of conduct.		
Output (Volume):		
Number of New Licenses Issued to Individuals	750	750
C. Goal: CONSUMER RESPONSIVENESS		
To ensure responsiveness to inquiries, requests and complaints from the industry, citizens, public officials, and other state and federal governmental entities.		
Outcome (Results/Impact):		
Percentage of Complaints, Requests and Inquiries Answered within Ten Business Days	99%	99%
C.1.1. Strategy: COMPLAINT AND INQUIRY PROCESS	$ 105,756	$ 90,746
Provide a forum for registering complaints, responding to requests and inquiries and taking appropriate action when warranted. Respond appropriately to requests or inquiries to obtain information regarding financial institutions and mortgage broker licensees giving particular priority to requests from state and federal agencies conducting civil and criminal investigations.		
Output (Volume):		
Number of Consumer Complaints Completed	525	575
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: INDIRECT ADMINISTRATION	$ 136,519	$ 136,458
Grand Total, SAVINGS AND LOAN DEPARTMENT	$ 1,409,504	$ 1,384,505

SAVINGS AND LOAN DEPARTMENT
(Continued)

Method of Financing:		
General Revenue Fund	$ 1,408,904	$ 1,383,905
Appropriated Receipts	600	600
Total, Method of Financing	$ 1,409,504	$ 1,384,505
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 358,050	$ 378,912
Number of Full-Time-Equivalent Positions (FTE):	22.0	22.0
Number of FTEs in Riders:	10.0	13.0
Schedule of Exempt Positions:		
Commissioner, Group 3	$92,676	$92,676
Supplemental Appropriations Made in Riders:	$ 512,500	$ 739,100

1. **Appropriation of Receipts.** Funds received by the Texas Savings and Loan Department pursuant to supervision and conservatorship proceedings authorized by Subchapter B, Texas Finance Code, VTCA and Subchapter C, Texas Finance Code, VTCA, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisory agent.

2. **Federal Per Diem Authorized.** Financial Institutions Examiners employed by the Savings and Loan Department, when (1) traveling on official state business related to the examining function of the Savings and Loan Department and (2) participating in either a joint or concurrent examination with the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or their successors, shall be authorized reimbursement for travel expenses at a rate of per diem equal to that of the participating federal regulatory agency.

3. **Contingency Appropriation: Regulatory Response.**

   a. Contingent upon a finding of fact by the Finance Commission that either:

      (1) the size of the state-chartered thrift industry under the jurisdiction of the Savings and Loan Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of thrift institutions under the department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or

      (3) a reduction of federal regulatory resources applied to the Texas state-chartered thrift industry by the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, Federal Reserve Board, or their successors, has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;

   the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Texas Savings and Loan Department out of fee revenues collected by the department: an amount not to exceed $512,500 for fiscal year 2002 and an amount not to exceed $739,100 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than seven for fiscal year 2002 and 10 for fiscal year 2003.

b. None of the funds appropriated pursuant to this provision may be expended by the Texas Savings and Loan Department unless:

(1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and

(2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.

(3) The appropriations in item 3(a) are also contingent upon the department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed $1,146,028 for fiscal year 2002 and $1,146,326 for fiscal year 2003 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate. The revenue amounts required by this section shall be separate from, and in addition to, the requirements in Section 5 below.

4. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Savings and Loan Department are made contingent on the continuation of the Office of Savings and Loan Commissioner and the Savings and Loan Department by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations

5. **Contingent Revenue.** Of the amounts appropriated above to the Savings and Loan Department in Strategy A.1.1, Examination, the amount of $20,568 in fiscal year 2002 and $20,568 in fiscal year 2003, in Strategy B.1.1, Mortgage Broker Licensing, the amount of $51,000 in fiscal year 2002 and $41,000 in fiscal year 2003 and in Strategy C.1.1, Complaint and Inquiry Process, the amount of $76,500 in fiscal year 2002 and $61,500 in fiscal year 2003 is contingent on the Savings and Loan Department assessing fees sufficient to generate, during the 2002–03 biennium, $326,886 in excess of $3,325,354 (Object Codes 3175 and 3172), contained in the Comptroller of Public Accounts' Biennial revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Savings and Loan Department meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three in fiscal year 2002 and three in fiscal year 2003. The Savings and Loan Department, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the commission meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

6. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

FUNERAL SERVICE COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMPETENT LICENSEES		
To manage a program of examination and licensure that ensures the development of competent funeral professionals with high standards of professional and ethical conduct.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	96%	96%
Percent of Applications and Renewals Processed within Three Working Days	75%	75%
A.1.1. Strategy: LICENSING REQUIREMENTS	$ 255,912	$ 143,515
Issue and renew licenses, manage a provisional licensing program and monitor continuing education requirements.		
Output (Volume):		
Number of New Licenses Issued to Individuals	318	350
Number of Individual Licenses Renewed	2,578	2,836
Number of New Licenses Issued to Facilities	1,352	1,352
Number of Facility Licenses Renewed	1,342	1,343
Number of Individuals Examined	297	297
Efficiencies:		
Average Licensing Cost Per Individual License Issued	34.28	34.28
Average Licensing Cost Per Facility License Issued	23.66	23.08
Average Cost Per Exam Administered	39.38	38.14
Explanatory:		
Total Number of Individuals Licensed	318	350
Total Number of Facilities Licensed	1,352	1,352
B. Goal: ENFORCE STANDARDS		
To aggressively and effectively provide enforcement and protect the public from incompetent services and unethical conduct.		
Outcome (Results/Impact):		
Percent of Complaints Resolved within Six Months	75%	75%
Percent of Complaints Resulting in Disciplinary Action	9%	9%
B.1.1. Strategy: INSPECTIONS	$ 368,745	$ 257,224
To provide enforcement through a vigorous program of inspections and investigations.		
Output (Volume):		
Number of Complaints Resolved	183	187
Number of Establishments Inspected	1,334	1,335
Number of Complaints Pending	12	12
Efficiencies:		
Average Time for Complaint Resolution	242	242
Average Cost Per Complaint Resolved	374.88	367.86
Explanatory:		
Number of Jurisdictional Complaints Received	240	240
B.2.1. Strategy: RULE COMPLIANCE	$ 242,784	$ 131,388
Review investigated complaints and recommend disciplinary or other action.		
Output (Volume):		
Number of Licenses Revoked or Suspended (Individuals)	2	2
Number of Licenses Revoked or Suspended (Establishments)	6	6
Total, Goal B: ENFORCE STANDARDS	$ 611,529	$ 388,612
Grand Total, FUNERAL SERVICE COMMISSION	$ 867,441	$ 532,127

Method of Financing:		
General Revenue Fund	$ 862,441	$ 527,127
Appropriated Receipts	5,000	5,000
Total, Method of Financing	$ 867,441	$ 532,127
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 113,759	$ 120,405
Number of Full-Time-Equivalent Positions (FTE):	10.0	10.0
Schedule of Exempt Positions:		
Executive Director	$43,680	$43,680
Per Diem of Board Members	3,850	3,850

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Licensing System Software	$ 240,200	$ 0
Total, Capital Budget	$ 240,200	$ 0

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Texas Funeral Service Commission are made contingent on the continuation of the Texas Funeral Service Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

3. **Contingent Revenue.** Of the amounts appropriated above to the Funeral Service Commission in Strategy A.1.1, Licensing Requirements, the amount of $117,672 in fiscal year 2002 and $7,400 in fiscal year 2003 and in Strategy B.1.1, Inspections, the amount of $117,673 in fiscal year 2002 and $7,400 in fiscal year 2003 and in Strategy B.2.1, Rule Compliance, the amount of $117,672 in fiscal year 2002 and $7,400 in fiscal year 2003 is contingent on the Funeral Service Commission assessing fees sufficient to generate, during the 2002–03 biennium, $375,217 in excess of $1,747,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Funeral Service Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Funeral Service Commission's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

DEPARTMENT OF INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENCOURAGE FAIR COMPETITION		
Encourage fair competition in the insurance industry.		
Outcome (Results/Impact):		
Percent of Agent License Filings Completed within 15 Days	92%	92%
Percent of Statutory Rate and Form Filings Completed within 90 Days	80%	80%
Number of Automobiles Covered by Voluntary Policies as a Percent of Total Private Passenger Automobiles in Underserved Markets	69%	69%
Percent of Market Assistance Program Applications Eligible for Referral Resulting in the Issuance of a Residential Property Insurance Policy	50%	50%
A.1.1. Strategy: PROMOTE COMPETITION	$ 11,616,700	$ 11,616,700
Collect and analyze market data, provide information to consumers and industry, and process rates, forms and other required filings.		
Output (Volume):		
Number of Inquiries Answered	350,000	350,000
Number of Rate Guides Distributed	600,000	600,000
Number of Life/Health Insurance Filings Completed	24,500	24,500
Number of HMO Form Filings Completed	2,900	2,900
Explanatory:		
Total Number of Licensed Agents	200,000	200,000
Number of Licensed HMOs	65	65
A.1.2. Strategy: PROMOTE UNDERSERVED COVERAGE	$ 355,738	$ 355,738
Identify underserved markets and create incentives and implement requirements for insurers to write in underserved markets.		
Explanatory:		
Total Number of Market Assistance Program Applications Eligible for Referral	90	90
A.2.1. Strategy: INVESTIGATION/ENFORCEMENT	$ 5,445,447	$ 5,445,447
Respond promptly to complaints against insurers, agents, and other regulated entities; assist consumers in recovering valid claims; investigate apparent patterns of unlawful or questionable trade practices in the insurance industry; and bring enforcement actions as appropriate.		
Output (Volume):		
Number of Complaints Resolved	29,000	30,000
Dollar Amount Returned to Consumers through Complaint Resolution	30,000,000	31,000,000
Number of Contested Cases Closed	120	120
Efficiencies:		
Average Response Time (in Days) to Complaints	38	38
A.2.2. Strategy: INSURER FRAUD	$ 1,073,836	$ 1,073,836
Investigate potential insurer fraud and initiate legal action when appropriate.		
Output (Volume):		
Number of Referrals of Alleged Insurer Fraud to Attorney General, District Attorney, or Other Appropriate Agency or Law Enforcement Authority	70	70
Total, Goal A: ENCOURAGE FAIR COMPETITION	$ 18,491,721	$ 18,491,721

B. Goal: INSURANCE INDUSTRY FINANCIAL HEALTH		
Encourage the financial health of the insurance industry through monitoring and regulation.		
Outcome (Results/Impact):		
Percent of Statutorily Mandated On-site Examinations Conducted During the Fiscal Year	100%	100%
Special Deputy Receiver Receivership Asset Recovery Expenses as a Percent of the Total Dollars Collected by Special Deputy Receivers	30%	30%
Average Number of Days from Company "At Risk" Identification to the Date of Solvency-related Regulatory Action	42	42
Percent of Companies Rehabilitated after Texas Department of Insurance Solvency-related Intervention	18%	18%
B.1.1. Strategy: INSURERS FINANCIAL CONDITION	$ 12,871,119	$ 12,871,119
Analyze the financial condition of insurers, identify weak companies, and rehabilitate, liquidate or take other action against financially weak companies.		
Output (Volume):		
Number of Entities Receiving Texas Department of Insurance Solvency-related Intervention	19	19
Number of Holding Company Transactions Reviewed	750	750
Number of Actuarial Examinations Completed	80	80
Number of On-site Examinations Conducted	175	175
Efficiencies:		
Average State Cost Per Examination	26,500	26,500
Explanatory:		
Dollar Amount (in Millions) of Insurance Company Insolvencies	3.5	3.5
Number of Estates Placed in Receivership	3	3
C. Goal: DECREASE INDUSTRY LOSS COSTS		
Decrease insurance industry loss costs.		
Outcome (Results/Impact):		
Percent of Fire Inspections That Meet Inspection Requirements	85%	85%
Percent of Windstorm Inspections That Result in an "Approved" Status Code	40%	40%
C.1.1. Strategy: LOSS CONTROL PROGRAMS	$ 2,859,199	$ 2,859,199
Inspect insurance loss control programs offered to policy holders, and assure compliance with filed property schedules and windstorm construction codes.		
Output (Volume):		
Number of Windstorm Inspections Completed	18,000	18,000
Number of Inspections of Insurer Loss Control Programs Completed	255	255
Number of Fire Safety Oversight Inspections Completed	1,200	1,200
Efficiencies:		
Average Cost Per Windstorm Inspection	45	45
C.1.2. Strategy: PROVIDER/CONSUMER FRAUD	$ 1,074,318	$ 1,074,318
Investigate possible provider fraud and consumer fraud and refer violations for prosecution when appropriate.		
Output (Volume):		
Number of Referrals of Alleged Consumer and Provider Fraud to Attorney General, District Attorney, or Other Appropriate Agency or Law Enforcement Authority	110	110
Total, Goal C: DECREASE INDUSTRY LOSS COSTS	$ 3,933,517	$ 3,933,517

D. Goal: REDUCE LOSSES DUE TO FIRE		
Reduce loss of life and property due to fire.		
Outcome (Results/Impact):		
Percent of Referred State Fire Marshal's Office Criminal Investigations Resulting in Enforcement/Legal Action	60%	60%
Percent of Registrations, Licenses, and Permits Issued, after Receipt of a Completed Application, within 20 Days to Fire Alarm, Fire Extinguisher, Fire Sprinkler, and Fireworks Firms, Individuals, and Other Regulated Entities	97%	97%
D.1.1. Strategy: FIRE PROTECTION	$ 3,609,061	$ 3,609,061
Provide fire prevention and fire safety presentations, and enforce regulations related to fire safety through investigation, analysis of evidence, inspection of property, and licensing of the fire protection and fireworks industry.		
Output (Volume):		
Number of Fire Investigations Completed	400	400
Number of Registrations, Licenses, and Permits Issued to Fire Alarm, Fire Extinguisher, Fire Sprinkler and Fireworks Firms, Individuals, and Other Regulated Entities	9,820	9,550
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: CENTRAL ADMINISTRATION	$ 4,297,163	$ 4,297,163
E.1.2. Strategy: INFORMATION RESOURCES	$ 4,293,954	$ 4,293,954
E.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,749,737	$ 1,749,737
Total, Goal E: INDIRECT ADMINISTRATION	$ 10,340,854	$ 10,340,854
Grand Total, DEPARTMENT OF INSURANCE	$ 49,246,272	$ 49,246,272
Method of Financing:		
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees, estimated	$ 30,483,799	$ 32,414,530
GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036, estimated	18,275,659	16,344,928
Appropriated Receipts	379,431	379,431
Interagency Contracts	107,383	107,383
Total, Method of Financing	$ 49,246,272	$ 49,246,272
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 16,873,595	$ 17,520,358
Number of Full-Time-Equivalent Positions (FTE):	1,020.5	1,020.5
Schedule of Exempt Positions:		
Commissioner of Insurance, Group 6	$157,500	$157,500

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

Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the state of Texas.

	2002	2003
Out of the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund–Dedicated - Texas Department of Insurance Operating Fund Account No. 036:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 1,114,193	$ 1,114,193
b. Transportation Items		
(1) Acquisition of Transportation Items	$ 92,528	$ 92,528
Total, Capital Budget	$ 1,206,721	$ 1,206,721

2. **Appropriation Source, Rehabilitation of Insurance Companies.** Of the amounts appropriated above, $125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the Department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of $125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2001, for the sole purpose of the rehabilitation of other insurance companies pursuant to § 17(a) of Article 21.28A of the Texas Insurance Code.

3. **NAIC Company Database.** Funds appropriated above include $2,550,000 for the biennium from the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated for payment of company fees to the National Association of Insurance Commissioners for NAIC use of insurance company statistical reports in the NAIC national database. Such payments are necessary under provisions of the Insurance Code, Article 1.11(b), and directly support availability of the NAIC database to the agency for monitoring financial solvency of insurance companies licensed in the State of Texas.

4. **State Support for NAIC Activities.** The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Texas Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued Departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the commissioner voluntarily determines not to participate in the state insurance department accreditation program.

5. **Liquidation Oversight and Title Examiner Full-Time Equivalent Positions.** In addition to the full-time equivalent positions authorized above, an additional 32.5 full-time equivalent positions are authorized for each year of the 2002–03 biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.

6. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code, the commissioner shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal during the succeeding year.

7. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Insurance is limited to the following: Windstorm Building Code Advisory Committee, HMO Solvency Surveillance Committee, Executive Committee for Market Assistance Program (MAP), Utilization Review Advisory Committee, Fire Alarm Advisory Committee, Fire Sprinkler Advisory Committee, Fire Extinguisher Advisory Committee, and Fireworks Advisory Committee.

8. **Travel Cap.** Out of the funds appropriated above, expenditures for out-of-state travel by the Texas Department of Insurance are limited to $652,773 in fiscal year 2002 and $639,064 in fiscal year 2003. Of these amounts, $525,530 in fiscal year 2002 and $511,821 in fiscal year 2003 shall be utilized solely for out-of-state travel for the purpose of financial examinations.

9. **Limit on Estimated Appropriations.** The combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund–Dedicated-Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed $48,759,458 for each year of the 2002–03 biennium.

10. **State Support for NCOIL Activities.** Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund–Dedicated for payment of state dues for the National Conference of Insurance Legislators.

11. **Contingent Revenue.** Of the amounts appropriated above to the Department of Insurance in Strategy B.1.1, Insurers Financial Condition, the amount of $634,898 in fiscal year 2002 and the amount of $634,898 in fiscal year 2003 is contingent on the Department of Insurance assessing fees sufficient to generate, during the 2002–03 biennium, $1,628,896 in excess of $79,971,000 (Object Code 3203 and 3215) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Department of Insurance upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

OFFICE OF PUBLIC INSURANCE COUNSEL

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ADVOCATE FOR INSURANCE CONSUMERS		
To advocate positions advantageous to Texas consumers forcefully and effectively in rate hearings, rulemaking, court proceedings, and other public forums involving insurance matters.		
Outcome (Results/Impact):		
Percentage of Analyzed Rate and Rulemaking Proceedings in Which OPIC Participated	60%	60%
Savings to Consumers as a Result of Rate Hearings Participation (in Millions)	950	950
Percentage of Rate Filings and Rules Changed for the Benefit of Consumers as a Result of OPIC Participation	70%	70%
A.1.1. Strategy: PARTICIPATE IN RATE/RULE HEARINGS	$ 857,962	$ 857,962
Actively participate in industry-wide rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys.		
Output (Volume):		
Number of Industry-wide Rate Hearings in Which OPIC Participated	5	5
Number of Analyzed Rate Filings in Which OPIC Participated	10	10
Number of Rulemaking Proceedings in Which OPIC Participated	30	30
A.2.1. Strategy: INFORMATION AND RESEARCH	$ 97,359	$ 97,359
Provide information and research assistance to the Legislature and Executive Branch, including results of ad hoc special research or analytical projects for current issues.		
Participate in judicial proceedings.		
Output (Volume):		
Number of Judicial Proceeding (Appellate and Otherwise) In Which OPIC Participated as a Party of Record	2	2
Total, Goal A: ADVOCATE FOR INSURANCE CONSUMERS	$ 955,321	$ 955,321
B. Goal: INCREASE CONSUMER CHOICE		
To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers.		
Outcome (Results/Impact):		
Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	25%	25%
B.1.1. Strategy: INSURANCE INFORMATION	$ 243,105	$ 243,105
To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.		

OFFICE OF PUBLIC INSURANCE COUNSEL
(Continued)

Output (Volume):		
Number of Newsletters and Report Cards Produced and Distributed	70,000	70,000
Number of Releases Produced and Interviews Given and Newspaper Op-ed Columns Produced	38	38
Grand Total, OFFICE OF PUBLIC INSURANCE COUNSEL	$ 1,198,426	$ 1,198,426
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 326,147	$ 333,742
Number of Full-Time-Equivalent Positions (FTE):	18.0	18.0
Schedule of Exempt Positions:		
Public Counsel, Group 2	$82,500	$82,500

BOARD OF PROFESSIONAL LAND SURVEYING

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: LICENSING & ENFORCEMENT		
To ensure that the residents of Texas will be able to obtain competent and accurate surveys prepared by qualified surveyors capable of meeting or exceeding the Professional and Technical Standards of Practice for surveying in Texas.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Documented Complaints Resolved within Six Months	80%	80%
A.1.1. Strategy: LICENSING AND EDUCATION	$ 349,231	$ 349,231
The board will examine applicants and regulate practicing surveyors, licensing only competent surveyors who must maintain competency through the completion of continuing education courses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	40	40
Number of Licenses Renewed (Individuals)	2,863	2,863
Complaints Resolved	40	40
Efficiencies:		
Average Licensing Cost Per Individual License Issued	6.5	6.5
Median Time for Complaint Resolution	125	125
A.1.2. Strategy: EXAMINATION	$ 11,900	$ 8,400
Purchase and grade the National Exam. (estimated and nontransferable).		
Output (Volume):		
Individuals Examined (National Exam)	140	140
Total, Goal A: LICENSING & ENFORCEMENT	$ 361,131	$ 357,631
Grand Total, BOARD OF PROFESSIONAL LAND SURVEYING	$ 361,131	$ 357,631
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 66,537	$ 69,982

BOARD OF PROFESSIONAL LAND SURVEYING
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$47,000	$47,000
Per Diem of Board Members	6,460	6,460

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2002 and 2003, pursuant to the provisions of VTCA, Government Code § 316.043 :

   a. Certificate Renewal:
      (1) Registered Professional Surveyors — Not less than $130.00 or more than $153.00
      (2) Licensed State Land Surveyors — $ 35.00

   b. Examination Fee:
      (1) Registered Professional Surveyors — $125.00

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Professional Land Surveying in Strategy A.1.1, Licensing and Education, the amount of $35,510 in fiscal year 2002 and $35,510 in fiscal year 2003 for the purpose of hiring an investigator and in Strategy A.1.2, Examination, the amount of $3,500 in fiscal year 2002 for the purpose of purchasing an optical reader is contingent on the Board of Professional Land Surveying assessing fees sufficient to generate, during the 2002–03 biennium, $90,096 in excess of $842,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Professional Land Surveying meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Professional Land Surveying, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Land Surveying's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

DEPARTMENT OF LICENSING AND REGULATION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING		
To effectively serve the public by licensing, certifying, and registering qualified individuals and businesses, and provide information concerning the regulated industries.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
A.1.1. Strategy: LICENSE/REGISTER/CERTIFY	$ 834,219	$ 743,219
Issue licenses, registrations, and certificates to qualified applicants.		
Output (Volume):		
Number of New Licenses Issued to Individuals	2,900	2,950
Number of Licenses Renewed (Individuals)	7,726	7,672

Efficiencies:		
Average Licensing Cost Per Individual License Issued	20	20
Explanatory:		
Total Number of Individuals Licensed	29,500	30,000
Total Number of Business Facilities Licensed	101,000	108,500
A.1.2. Strategy: EXAMINATIONS	$ 151,149	$ 151,149
Administer exams to applicants.		
A.1.3. Strategy: DISTRIBUTE INFORMATION	$ 88,329	$ 88,329
Develop and distribute information about regulated industries.		
Total, Goal A: LICENSING	$ 1,073,697	$ 982,697
B. Goal: ENFORCEMENT		
To protect the public by enforcing laws administered by the agency.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	85%	85%
Percent of Building Architectural Barrier Inspections Completed within Statutory Time Limits	65%	75%
Percent of Architectural Barrier Building Plan Reviews Completed within Thirty Days	89%	91%
Inspection Coverage Rate	91%	93%
Percentage of Boilers Inspected for Certification within Appropriate Timelines	68%	68%
B.1.1. Strategy: CONDUCT INSPECTIONS	$ 3,225,095	$ 2,836,822
To enforce laws by conducting routine, complex, and special inspections.		
Output (Volume):		
Total Number of Architectural Barrier Inspections Completed by Agency and Third Party Inspectors	8,800	8,800
Total Number of Architectural Barrier Building Plans Reviewed by Agency and Third Party Plan Reviewers	11,530	11,460
Efficiencies:		
Average Number of Months to Complete Architectural Barrier Inspections by Agency Staff	16	14
Average Number of Days to Complete Architectural Barrier Building Plan Reviews by Agency Staff	25	25
B.1.2. Strategy: RESOLVE COMPLAINTS	$ 1,550,887	$ 1,390,685
To enforce compliance through timely case settlements and prosecutions, administrative penalties, and sanctions.		
Output (Volume):		
Number of Complaints Resolved	2,800	2,850
Efficiencies:		
Average Time for Consumer Complaint Resolution	120	115
Explanatory:		
Number of Jurisdictional Complaints Received	3,280	3,300
Total, Goal B: ENFORCEMENT	$ 4,775,982	$ 4,227,507
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: CENTRAL ADMINISTRATION	$ 732,174	$ 732,174
C.1.2. Strategy: INFORMATION RESOURCES	$ 502,300	$ 502,300
C.1.3. Strategy: OTHER SUPPORT SERVICES	$ 111,948	$ 111,948
Total, Goal C: INDIRECT ADMINISTRATION	$ 1,346,422	$ 1,346,422
Grand Total, DEPARTMENT OF LICENSING AND REGULATION	$ 7,196,101	$ 6,556,626
Method of Financing:		
General Revenue Fund	$ 7,084,139	$ 6,445,664
Appropriated Receipts	61,253	60,253

Interagency Contracts	25,709	25,709
Auctioneer Education and Recovery Trust Fund No. 898	25,000	25,000
Total, Method of Financing	$ 7,196,101	$ 6,556,626
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 2,258,744	$ 2,347,852
Number of Full-Time-Equivalent Positions (FTE):	144.5	144.5
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Commissioner, Group 3	$76,000	$76,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	136,400	132,600
(2) Licensing System	$ 600,000	$ 0
Total, Acquisition of Information Resource Technologies	$ 736,400	$ 132,600
Total, Capital Budget	$ 736,400	$ 132,600

2. **Appropriation: Travel Expenses and Fee Reimbursements.** Funds appropriated above include reimbursements for travel expenses and special inspection fees collected pursuant to VTCA, Health and Safety Code, Chapter 755.030, Boilers Fees. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of $181,000 each year of the biennium are hereby appropriated to the Texas Department of Licensing and Regulation.

3. **Auctioneer Education and Recovery.** Funds appropriated above include all revenue deposited to the Auctioneer Education and Recovery Fund for the purpose and in the amounts specified in Subchapter D, § 1802.151, Occupations Code, not to exceed $25,000 in each fiscal year from the interest on the fund.

4. **Elimination of Architectural Barriers.** Out of the General Revenue appropriated above, $2,531,640 for each year of the biennium, is appropriated from fees collected pursuant to VTCS, Article 9102 for the purposes of administering and enforcing the Architectural Barrier Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

5. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Industrialized Housing and Building Code Council, Water Well Drillers Advisory Council, Architectural Barriers Advisory Committee, Air Conditioning and Refrigeration Contractors Advisory Board, Board of Boiler Rules, Elevator Advisory Board, Property Tax Consultants Advisory Council.

6. **Elevators, Escalators, and Related Equipment.** Out of the General Revenue appropriated above, $558,155 for each year of the biennium, is appropriated from fees collected pursuant to VTCA, Health and Safety Code, Chapter 754, Subchapter B for the purposes of administering and enforcing the Elevators, Escalators and Related Equipment Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

7. **Reciprocity Agreements.** It is the intent of the Legislature that the Department of Licensing and Regulation initiate and enter into reciprocity agreements with other states for the purpose of performing industrialized housing inspections in order to minimize the need for the agency sending state employees out of state to perform such inspections. The department may enter into contracts with out-of-state inspectors to conduct such inspections.

8. **Elimination of Architectural Barriers: Reduce Duplicate Inspections.** None of the funds appropriated by this Act shall be expended for the purpose of conducting inspections and plan reviews within the corporate boundaries of a municipality which has applied with the department to perform review and inspection functions pursuant to the Elimination of Architectural Barriers Act, Article 9102, § 5(f), VTCS.

9. **Architectural Barrier Standards: Exemption.** None of the funds appropriated by this Act shall be expended for the purpose of enforcing the accessibility standards under the Elimination of Architectural Barriers program, Article 9102, VTCS, with respect to a structure or facility used primarily for religious rituals within a building or facility of a religious organization and which is exempt from the application of Article 9102, VTCS, pursuant to Section 2(g) of that article.

10. **Electronic Examinations.** It is the intent of the Legislature that the Texas Department of Licensing and Regulation identify programs for which the required examinations could be offered in an electronic medium, and that the agency develop and implement electronic examinations for these programs.

11. **Contingent Revenue.** Of the amounts appropriated above to the Department of Licensing and Regulation in Strategy A.1.1, License/Register/Certify, the amount of $90,000 in fiscal year 2002 and for the purpose of hiring an additional boiler inspector in Strategy B.1.1, Conduct Inspections of $416,568 in fiscal year 2002 and $49,096 in fiscal year 2003 and in Strategy B.1.2, Resolve Complaints, the amount of $150,000 in fiscal year 2002 is contingent on the Department of Licensing and Regulation assessing fees sufficient to generate, during the 2002–03 biennium, $723,385 in excess of $17,063,280 (Object Code 3164, 3175, 3147, 3160, 3727, and 3366), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Department of Licensing and Regulation meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Department of Licensing and Regulation, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

12. **Licensing System.** The funds authorized for the Acquisition of Licensing System in the Capital Budget Rider shall only be used to acquire a licensing system and cannot be transferred to any other capital budget project. Those funds not used to acquire the licensing system shall be lapsed.

BOARD OF MEDICAL EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSURE		
Protect the public by licensing qualified practitioners, and non-profit entities, by determining eligibility for licensure through credential verification or renewal, and by collecting information on professionals regulated by the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations (Physician)	99%	99%
A.1.1. Strategy: LICENSING	$ 1,585,342	$ 1,581,942
Conduct a timely, efficient, and cost-effective licensure issuance and renewal process by which credentials are verified and applications are reviewed.		
Output (Volume):		
Number of New Licenses Issued to Individuals (Physicians)	3,983	4,227
Number of New Licenses Issued to Individuals (Acupuncture)	20	20
Number of New Licenses Issued to Individuals (Physician Assistant)	200	190
Number of Licenses Renewed (Individuals) (Physicians)	54,945	55,457
Number of Licenses Renewed (Individuals) (Acupuncture)	325	325
Number of Licenses Renewed (Individuals) (Physician Assistant)	2,200	2,250
Efficiencies:		
Average Licensing Cost Per Individual License Issued (Physician)	15.59	15.43
Average Licensing Cost Per Individual License Issued (Acupuncture)	128.6	117.41
Average Licensing Cost Per Individual License Issued (Physician Assistant)	34.34	32.62
Average Licensing Cost Per Facility License Issued	49.43	50.28
Average Number of Days for Individual License Issuance (Physicians)	180	180
B. Goal: ENFORCE ACTS		
To protect the public by conducting investigations of allegations against licensees and taking appropriate corrective and/or disciplinary action when necessary; by educating the public, staff, and licensees regarding the functions and services of the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action (Physician)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Acupuncture)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Physician Assistant)	12%	12%
B.1.1. Strategy: ENFORCEMENT	$ 2,228,993	$ 2,222,926
Conduct competent, fair, and timely investigations; ensure due process for		

respondents; monitor the resolution of complaints; maintain adequate monitoring of all probationers in a timely fashion; and contact consumer complainants in a timely and regular manner.		
Output (Volume):		
Number of Complaints Resolved (Physician)	1,400	1,400
Number of Complaints Resolved (Acupuncture)	10	10
Number of Complaints Resolved (Physician Assistant)	60	70
Efficiencies:		
Average Time for Complaint Resolution (Physician)	326	326
Explanatory:		
Number of Jurisdictional Complaints Received (Physician)	1,400	1,400
Number of Jurisdictional Complaints Received (Acupuncture)	10	10
Number of Jurisdictional Complaints Received (Physician Assistant)	60	70
B.2.1. Strategy: PUBLIC EDUCATION	$ 177,558	$ 179,521
Provide public awareness and educational programs to educate the public and licensees regarding the agency's functions, services and responsibilities.		
Total, Goal B: ENFORCE ACTS	$ 2,406,551	$ 2,402,447
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,257,804	$ 1,257,835
Grand Total, BOARD OF MEDICAL EXAMINERS	$ 5,249,697	$ 5,242,224
Method of Financing:		
General Revenue Fund	$ 5,069,697	$ 5,062,224
Appropriated Receipts	180,000	180,000
Total, Method of Financing	$ 5,249,697	$ 5,242,224
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 1,594,043	$ 1,658,589
Number of Full-Time-Equivalent Positions (FTE):	104.0	104.0
Number of FTEs in Riders:	4.0	4.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$85,000	$85,000
Salary Supplement	12,000	12,000
Per Diem of Board Members	23,500	23,500

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

Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Replacement of Computer Hardware and Software	$ 70,485	$ 59,624
Total, Acquisition of Information Resource Technologies	$ 70,485	$ 59,624
Total, Capital Budget	$ 70,485	$ 59,624

2. **Interagency Contract with the Center for Rural Health Initiatives.** Included in the amounts appropriated above for Strategy A.1.1, Licensing, in the amounts of $90,000 in each fiscal year of the biennium, out of fees generated from the Physician Assistant's program, are funds which shall be used for an interagency contract with the Center for Rural Health Initiatives (Department of Health) to provide funding for the Physician Assistant Student Loan Repayment program for those physician assistants who practice in rural areas of the state.

3. **Salary Supplementation.** In addition to the amount specified in the schedule of exempt positions for the salary of the executive director, the State Board of Medical Examiners may approve a salary supplement not to exceed $12,000 annually if the executive director is a medical doctor and an attorney.

4. **Executive Director Salary.** If the Executive Director is not a physician, the amount listed in the Schedule of Exempt Positions shall be $68,173 for fiscal year 2002 and $68,173 for fiscal year 2003. The exempt position shall also be listed as "Group 2."

5. **Contingent Revenue.** Of the amounts appropriated above to the Board of Medical Examiners in Strategy A.1.1. Strategy: Licensing, the amount of $129,564 in fiscal year 2002 and $122,091 in fiscal year 2003 is contingent on the Board of Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $266,177 in excess of $17,742,000 (Object Code 3560), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Medical Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by four in 2002 and four in 2003. The Board of Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Medical Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF NURSE EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING		
To manage cost-effective, quality programs of accreditation, examination, licensure, and regulation that ensure legal standards for professional nursing education and practice and which effectively serve the market demand for qualified professional nurses.		
Outcome (Results/Impact):		
Percentage of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: LICENSING	$ 1,557,718	$ 1,624,388
Operate an efficient system of licensing, examination, and credentials verification for the practice of professional nursing.		
Output (Volume):		
Number of New Licenses Issued to Individuals	8,000	8,000
Number of Individual Licenses Renewed	72,000	72,000
Efficiencies:		
Average Licensing Cost Per Individual License Issued	2.15	2.15
A.2.1. Strategy: ACCREDITATION	$ 250,750	$ 254,800
Operate an effective accreditation program for professional nursing programs that includes the implementation of essential competencies curricula.		
Total, Goal A: LICENSING	$ 1,808,468	$ 1,879,188
B. Goal: PROTECT PUBLIC		
To ensure swift, fair, and effective enforcement of the Nursing Practice Act so that consumers are protected from unsafe, incompetent, and unethical nursing practice by registered professional nurses.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	30%	30%
Recidivism Rate for Peer Assistance Programs	10%	10%
B.1.1. Strategy: ADJUDICATE VIOLATIONS	$ 866,300	$ 877,600
Administer an effective system of enforcement and adjudication which includes investigating and resolving complaints.		
Output (Volume):		
Number of Complaints Resolved	2,250	2,250
Efficiencies:		
Average Time for Complaint Resolution (Days)	178	183
Explanatory:		
Number of Jurisdictional Complaints Received	2,348	2,383
B.1.2. Strategy: PEER ASSISTANCE	$ 370,000	$ 370,000
Identify, refer and assist those registered professional nurses whose practice is impaired.		
Output (Volume):		
Number of Licensed Individuals Participating in a Peer Assistance Program	350	350
Total, Goal B: PROTECT PUBLIC	$ 1,236,300	$ 1,247,600
Grand Total, BOARD OF NURSE EXAMINERS	$ 3,044,768	$ 3,126,788

BOARD OF NURSE EXAMINERS
(Continued)

Method of Financing:		
General Revenue Fund	$ 2,401,768	$ 2,483,788
Appropriated Receipts	643,000	643,000
Total, Method of Financing	$ 3,044,768	$ 3,126,788
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 805,384	$ 847,751
Number of Full-Time-Equivalent Positions (FTE):	55.0	55.0
Number of FTEs in Riders:	1.0	2.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$62,000	$62,000
Per Diem of Board Members	10,000	10,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 27,200	$ 31,200
Total, Capital Budget	$ 27,200	$ 31,200

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Nurse Examiners in Strategy A.1.1, Licensing, the amount of $31,200 in fiscal year 2002 and the amount of $74,195 in fiscal year 2003 is contingent on the Board of Nurse Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $121,482 in excess of $8,088,000 (Object Code 3560), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. Also contingent on the Board of Nurse Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and two in fiscal year 2003. The Board of Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF VOCATIONAL NURSE EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING		
To establish and implement cost-effective and efficient systems of regulation through education, practice, and licensure and discipline to meet the market demand for safe, competent, and ethical vocational nurses.		
Outcome (Results/Impact):		
Percentage of Licensees with No Recent Violations	97%	97%
Percent of Complaints Resulting in Disciplinary Action	42%	42%
A.1.1. Strategy: LICENSING	$ 641,236	$ 644,551
Operate an efficient and comprehensive licensure system.		
Output (Volume):		
Number of New Licenses Issued to Individuals	4,000	4,000
Number of Individual Licenses Renewed	37,000	37,000
Efficiencies:		
Average Licensing Cost Per Individual License Issued	7.9	7.9
A.2.1. Strategy: NURSING PROGRAM APPROVAL	$ 153,706	$ 154,306
Ensure a cost-effective and comprehensive vocational nursing program approval system.		
Output (Volume):		
Total Number of Programs Licensed	112	112
A.3.1. Strategy: ENFORCEMENT	$ 384,130	$ 379,198
Investigate jurisdictional complaints, institute disciplinary action, and monitor and enforce probationary stipulations.		
Output (Volume):		
Number of Complaints Resolved	1,175	1,175
Efficiencies:		
Average Time for Complaint Resolution	135	135
Explanatory:		
Number of Jurisdictional Complaints Received	1,200	1,200
A.3.2. Strategy: PEER ASSISTANCE	$ 180,000	$ 180,000
To identify, refer, and assist those licensed vocational nurses whose practice is impaired.		
Output (Volume):		
Number of Licensed Individuals Participating in a Peer Assistance Program	150	150
Total, Goal A: LICENSING	$ 1,359,072	$ 1,358,055
Grand Total, BOARD OF VOCATIONAL NURSE EXAMINERS	$ 1,359,072	$ 1,358,055
Method of Financing:		
General Revenue Fund	$ 1,325,972	$ 1,329,955
Appropriated Receipts	33,100	28,100
Total, Method of Financing	$ 1,359,072	$ 1,358,055
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 335,897	$ 350,004
Number of Full-Time-Equivalent Positions (FTE):	23.0	23.0
Number of FTEs in Riders:	1.0	1.0

Schedule of Exempt Positions:		
Executive Director, Group 2	$58,000	$58,000
Per Diem of Board Members	9,090	9,090

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	$ 77,700	$ 79,700
Total, Capital Budget	$ 77,700	$ 79,700

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Vocational Nurse Examiners in Strategy A.1.1, Licensing, the amount of $43,833 in fiscal year 2002 and the amount of $47,148 in fiscal year 2003 and in Strategy A.2.1, Nursing Program Approval, the amount of $11,355 in fiscal year 2002 and the amount of $11,955 in fiscal year 2003 and for the purpose of hiring an additional investigator in Strategy A.3.1, Enforcement, the amount of $57,250 in fiscal year 2002 and the amount of $52,318 in fiscal year 2003, is contingent on the Board of Vocational Nurse Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $239,943 in excess $3,847,000, (Object Code 3560), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. Also contingent on the Board of Vocational Nurse Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Vocational Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

OPTOMETRY BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EXAMINATION AND LICENSURE		
To manage a quality program of examination and licensure to ensure the initial and continuing competency of optometrists and enforce the optometry statutes to ensure that the public is protected from incompetent services, fraud and misrepresentation.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
A.1.1. Strategy: LICENSURE AND ENFORCEMENT	$ 355,289	$ 361,653
Operate an efficient and comprehensive optometry licensure and enforcement system.		
Output (Volume):		
Number of New Licenses Issued to Individuals	160	160
Number of Licenses Renewed (Individuals)	3,145	3,220
Number of Complaints Resolved	130	130
Efficiencies:		
Average Time for Complaint Resolution	65	65
Grand Total, OPTOMETRY BOARD	$ 355,289	$ 361,653
Method of Financing:		
General Revenue Fund	$ 321,465	$ 327,829
Appropriated Receipts	10,000	10,000
Interagency Contracts	23,824	23,824
Total, Method of Financing	$ 355,289	$ 361,653
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 112,885	$ 117,015
Number of Full-Time-Equivalent Positions (FTE):	6.0	6.0
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$60,000	$60,000
Per Diem of Board Members	3,720	3,720

1. **Investigative Expenses Authorized.** The Texas Optometry Board is authorized to hire investigators as independent contractors and to establish a petty cash account not to exceed $5,000 for the advancement of monies for purposes of purchases of evidence and investigative expenses, including travel, deemed necessary by the Board.

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Optometry in Strategy A.1.1, Licensure and Enforcement, the amount of $37,098 in fiscal year 2002 and the amount of $37,715 in fiscal year 2003 is contingent on the Optometry Board assessing fees sufficient to generate, during the 2002–03 biennium, $84,004 in excess of $934,000 (Object Code 3562), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Optometry Board meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Optometry Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent

appropriation shall be made available for an Information Technology, Systems Analyst I Full-Time Position to be shared with the Veterinary Medical Board and the Texas Health Professions Council.

STRUCTURAL PEST CONTROL BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSE AND EDUCATE		
To appropriately license all individuals in commercial and noncommercial pest control and facilitate through education the highest level of competence in the pest control field.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	96%	96%
A.1.1. Strategy: LICENSING AND EXAMINATIONS	$ 426,965	$ 410,999
Examine and license applicators and technicians and improve standards for training.		
Output (Volume):		
Number of New Licenses Issued to Individuals	5,800	5,800
Number of Licenses Renewed (Individuals)	13,500	13,500
Efficiencies:		
Average Licensing Cost Per Individual License Issued	30	30
B. Goal: REGULATE PEST SERVICES		
To insure compliance with regulations and industry standards for providing environmentally sound and effective pest control.		
Outcome (Results/Impact):		
Percent of Complaints Resolved within Six Months	65%	65%
B.1.1. Strategy: REGULATORY ACTIVITIES	$ 837,197	$ 835,231
Conduct programs to disseminate information, respond to complaints, perform inspections and necessary investigations, and take appropriate enforcement actions.		
Output (Volume):		
Number of Complaints Resolved	920	920
Number of Inspections Performed	1,600	1,600
Efficiencies:		
Average Time for Complaint Resolution	66	66
C. Goal: EDUCATION AND AWARENESS		
To provide for the education and awareness to the citizenry of Texas concerning matters relating to pest control, with emphasis on Integrated Pest Management in Texas public schools.		
Outcome (Results/Impact):		
Percent of Independent School Districts Reviewed Regarding Integrated Pest Management	20%	20%
C.1.1. Strategy: PUBLIC AWARENESS EFFORTS	$ 87,319	$ 87,319
Conduct a program for public awareness and education concerning Integrated Pest Management and compliance assistance.		
Output (Volume):		
Number of School Inspections Performed	350	350
Grand Total, STRUCTURAL PEST CONTROL BOARD	$ 1,351,481	$ 1,333,549

STRUCTURAL PEST CONTROL BOARD
(Continued)

Method of Financing:		
General Revenue Fund	$ 1,251,481	$ 1,233,549
Federal Funds	100,000	100,000
Total, Method of Financing	$ 1,351,481	$ 1,333,549
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 423,419	$ 448,940
Number of Full-Time-Equivalent Positions (FTE):	39.0	39.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$63,000	$63,000

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

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Phone System	$ 14,000	$ 0
Total, Capital Budget	$ 14,000	$ 0

2. **Use of Temporary and Contract Workers.** None of the amounts appropriated above to the Structural Pest Control Board may be expended for temporary staffing service contracts.

3. **Relocation of Headquarters.** It is the intent of the Legislature that the Structural Pest Control Board relocate the agency's headquarters outside the City of Austin during fiscal year 2003 for the express purpose of lowering leasing costs.

4. **Contingent Appropriation for Lease and Moving Expenses.** Of the amounts appropriated above to the Structural Pest Control Board, $71,732 in fiscal year 2002 and $67,800 in fiscal year 2003 are contingent on the Structural Pest Control Board relocating the agency's headquarters outside the City of Austin.

5. **Contingent Revenue.** Of the amounts appropriated above to the Structural Pest Control Board in Strategy A.1.1, Licensing and Examination, the amount of $25,300 in fiscal year 2002 and $9,334 in fiscal year 2003 for the purpose of relocating the agency's headquarters and upgrading the phone system and in Strategy B.1.1, Regulatory Activities, the amount of $11,300 in fiscal year 2002 and $9,334 in fiscal year 2003 for the purpose of relocating the agency's headquarters is contingent on the Structural Pest Control Board assessing fees sufficient to generate, during the 2002–03 biennium, $55,268 in excess of $3,665,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Structural Pest Control Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Structural Pest Control Board's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a

finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

6. **Field Investigators.** It is the intent of the Legislature that the Structural Pest Control Board, whenever possible, hire qualified job candidates from the region where the vacancy exists.

BOARD OF PHARMACY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: MAINTAIN STANDARDS		
To establish and implement reasonable standards for pharmacist education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: LICENSING	$ 342,760	$ 319,754
Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists.		
Output (Volume):		
Number of New Licenses Issued to Individuals	750	800
Number of Licenses Renewed (Individuals)	10,300	10,450
Efficiencies:		
Average Licensing Cost Per Individual License Issued	9.39	9.07
Average Licensing Cost Per Facility License Issued	31.66	31.2
Explanatory:		
Total Number of Business Facilities Licensed	5,470	5,480
B. Goal: ENFORCE REGULATIONS		
To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety is protected from unprofessional conduct, fraud, and misrepresentation, and to prevent the misuse, abuse, and diversion of prescription drugs from pharmacies.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action	10%	10%
B.1.1. Strategy: ENFORCEMENT	$ 1,828,438	$ 1,812,075
Emphasize preventative enforcement by conducting compliance inspections of pharmacies; providing technical assistance, licensee information, and education programs; receiving, investigating, and resolving complaints; and monitoring compliance with disciplinary orders resulting from board adjudication.		
Output (Volume):		
Number of Complaints Resolved	1,300	1,300
Efficiencies:		
Average Time for Complaint Resolution	300	350
Explanatory:		
Number of Jurisdictional Complaints Received	2,000	2,000
B.1.2. Strategy: PEER ASSISTANCE	$ 160,325	$ 160,325
Operate a peer assistance program.		

Output (Volume):		
Number of Individuals Participating in a Peer Assistance Program	150	150
Total, Goal B: ENFORCE REGULATIONS	$ 1,988,763	$ 1,972,400
C. Goal: INDIRECT ADMINISTRATION		
C.1.1. Strategy: INDIRECT ADMINISTRATION	$ 489,441	$ 481,172
Grand Total, BOARD OF PHARMACY	$ 2,820,964	$ 2,773,326
Method of Financing:		
GR Dedicated - Pharmacy Board Operating Account No. 523	$ 2,713,431	$ 2,707,200
Appropriated Receipts	107,533	66,126
Total, Method of Financing	$ 2,820,964	$ 2,773,326
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 742,234	$ 768,873
Number of Full-Time-Equivalent Positions (FTE):	46.9	46.9
Schedule of Exempt Positions:		
Executive Director, Group 2	$70,000	$70,000
Per Diem of Board Members	9,450	9,450

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the GR Dedicated - Pharmacy Board Operating Account No. 523:		
a. Acquisition of Information Resource Technologies		
(1) Replacement and Acquisition of New Computer Hardware	$ 34,604	$ 56,552
b. Transportation Items		
(1) Replacement Vehicles (4)	$ 30,000	$ 30,000
Total, Capital Budget	$ 64,604	$ 86,552

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Pharmacy in Strategy A.1.1. Licensing, the amount of $5,371 in fiscal year 2002 and the amount of $8,099 in fiscal year 2003 is contingent on the Pharmacy Board assessing fees sufficient to generate, during the 2002-03 biennium, $14,388 in excess of $6,963,000 (Object Code 3562, 3570, 3777), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years

2002 and 2003. The Pharmacy Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002-2003 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available.

EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSING AND REGISTRATION		
To protect the public health and safety by licensing qualified practitioners of physical therapy and occupational therapy and registering the eligible facilities providing such services.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations: Physical Therapy	99%	99%
Percent of Licensees with No Recent Violations: Occupational Therapy	100%	100%
A.1.1. Strategy: OPERATE LICENSING SYSTEM	$ 484,065	$ 484,662
Operate an efficient, accurate, and timely licensure process to license physical therapists, physical therapist assistants, occupational therapists and occupational therapy assistants, through specific requirements for preparatory education, examinations, endorsements, continuing education, and renewal, and operate an efficient, accurate and timely registration process to register and renew licenses for facilities in which the practices of physical therapy and occupational therapy are conducted.		
Output (Volume):		
Number of New Licenses Issued to Individuals: Physical Therapy	800	800
Number of New Licenses Issued to Individuals: Occupational Therapy	600	600
Number of Licenses Renewed (Individuals): Physical Therapy	5,200	5,200
Number of Licenses Renewed (Individuals): Occupational Therapy	3,000	3,000
Efficiencies:		
Average Licensing Cost Per Individual License Issued: Physical Therapy	50	50
Average Licensing Cost Per Individual License Issued: Occupational Therapy	70	70
Average Cost Per Facility Registration Issued	23	23
Explanatory:		
Total Number of Business Facilities Registered	2,000	2,000

B. Goal: ENFORCEMENT		
To protect the public by investigating allegations against individuals in violation of the laws governing the practice of physical therapy and occupational therapy, and taking appropriate corrective and/or disciplinary action when necessary; and by educating the public, staff and licensees regarding board functions and services.		
Outcome (Results/Impact):		
Percent of Complaints Resulting in Disciplinary Action: Physical Therapy	15%	15%
Percent of Complaints Resulting in Disciplinary Action: Occupational Therapy	15%	15%
B.1.1. Strategy: ADMINISTER ENFORCEMENT	$ 310,800	$ 310,800
Administer a system of enforcement and adjudication of the laws governing the practice of physical therapy and occupational therapy.		
Output (Volume):		
Number of Complaints Resolved: Physical Therapy	175	175
Number of Complaints Resolved: Occupational Therapy	60	60
Efficiencies:		
Average Time for Complaint Resolution: Physical Therapy	100	100
Average Time for Complaint Resolution: Occupational Therapy	100	100
Explanatory:		
Number of Jurisdictional Complaints Received: Physical Therapy	180	180
Number of Jurisdictional Complaints Received: Occupational Therapy	60	60
Grand Total, EXECUTIVE COUNCIL OF PHYSICAL THERAPY & OCCUPATIONAL THERAPY EXAMINERS	$ 794,865	$ 795,462
Method of Financing:		
General Revenue Fund	$ 769,865	$ 770,462
Appropriated Receipts	25,000	25,000
Total, Method of Financing	$ 794,865	$ 795,462
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 250,279	$ 259,353
Number of Full-Time-Equivalent Positions (FTE):	18.0	18.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$51,198	$51,198
Per Diem of Board Members	5,070	5,070

1. **Contingent Revenue.** Of the amounts appropriated above to the Executive Council of Physical Therapy and Occupational Therapy Examiners in A.1.1. Strategy: Operate Licensing System, the amount of $1,172 in fiscal year 2002 and $1,768 in fiscal year 2003 is contingent on the Executive Council of Physical Therapy and Occupational Therapy Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $3,140 in excess of $4,206,000, (Object Code 3562), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Executive Council of Physical Therapy and Occupational Therapy Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Executive Council of Physical Therapy and Occupational Therapy Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public

Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF PLUMBING EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENSURE PUBLIC SAFETY/PLUMBING To protect the health of Texas citizens by ensuring that each person has access to clean water, clean air and uncontaminated medical gases through quality plumbing installed and maintained by competent plumbers and inspected by competent inspectors; to ensure that plumbers who install and maintain public water supplies and sewage disposal systems and medical gas systems and inspectors who inspect such systems have the most up-to-date knowledge, skills, and competencies to prevent the transmission of water-borne diseases and gases and the unintended cross-connection of breathable and lethal gases.		
Outcome (Results/Impact):		
Percentage of Complaints Resolved Resulting in Disciplinary Action	56%	56%
Percentage of Licensees with No Recent Violations	98.9%	98.9%
A.1.1. Strategy: EXAMINE AND LICENSE PLUMBERS Administer competency examinations and issue and renew licenses for master plumbers, journeyman plumbers, plumbing inspectors, medical gas endorsements, and water supply protection endorsements; issue registration cards to apprentice plumbers.	$ 513,464	$ 513,464
Output (Volume):		
Number of New Licenses Issued to Individuals	1,910	2,060
Efficiencies:		
Average Licensing Cost Per Individual License Issued	4.4	4.4
A.1.2. Strategy: INSPECTIONS AND ENFORCEMENT Inspect and monitor job sites; conduct continuing education seminars and training sessions; respond to inquiries; investigate and resolve complaints; issue reprimands and revoke or suspend licenses; issue citations; monitor providers of instruction in medical gas piping programs, water protection specialist programs, and continuing education programs; inspect plumbing for compliance with state plumbing codes; and maintain contacts with municipal authorities that comply with the Act through local ordinance.	$ 562,471	$ 619,871
Output (Volume):		
Number of Job Sites Monitored	9,000	10,125
Number of Field Investigations Conducted	420	420
Number of Complaints Resolved	425	425
Total, Goal A: ENSURE PUBLIC SAFETY/PLUMBING	$ 1,075,935	$ 1,133,335

B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 404,832	$ 406,635
Grand Total, BOARD OF PLUMBING EXAMINERS	$ 1,480,767	$ 1,539,970
Method of Financing:		
General Revenue Fund	$ 1,463,767	$ 1,522,970
Appropriated Receipts	17,000	17,000
Total, Method of Financing	$ 1,480,767	$ 1,539,970
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 376,412	$ 416,676
Number of Full-Time-Equivalent Positions (FTE):	24.0	24.0
Number of FTEs in Riders:	0.0	1.0
Schedule of Exempt Positions:		
Administrator, Group 2	$62,000	$62,000
Per Diem of Board Members	2,030	2,030

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computers	$ 31,000	$ 27,300
b. Acquisition of Capital Equipment and Items		
(1) Replacement of Vehicles (4)	30,000	30,000
(2) New Vehicles (1)	$ 0	$ 15,000
Total, Acquisition of Capital Equipment and Items	$ 30,000	$ 45,000
Total, Capital Budget	$ 61,000	$ 72,300

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas Board of Plumbing Examiners in Strategy A.1.2. Inspections and Enforcement, the amount of $57,400 in fiscal year 2003 is contingent on the Texas Board of Plumbing Examiners assessing fees in fiscal year 2003 sufficient to generate, during the 2002-03 biennium, $67,326 in excess of $4,290,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Plumbing Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 1 in fiscal year 2003 and the additional FTE shall not be

permanently located in Austin. The Board of Plumbing Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF PODIATRIC MEDICAL EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECT TEXANS		
To protect the citizens of Texas from incompetent and unethical podiatrists with a quality program of examination and licensure and swift, fair, and effective enforcement of statutes and rules.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98.5%	98.5%
Percent of Documented Complaints Resolved within Six Months	85%	85%
A.1.1. Strategy: LICENSURE AND ENFORCEMENT	$ 214,891	$ 216,410
Operate a system of: (1) testing and examination of candidates for licensure; (2) mandatory continuing medical education of licensees; and (3) investigation and disciplinary hearings for alleged violations of the Texas Podiatric Medical Practice Act.		
Output (Volume):		
Number of New Licenses Issued to Individuals	65	65
Complaints Resolved	93	93
Efficiencies:		
Average Licensing Cost Per Individual License Issued	9	9
Average Time for Complaint Resolution	120	115
Explanatory:		
Total Number of Individuals Licensed	1,105	1,105
Grand Total, BOARD OF PODIATRIC MEDICAL EXAMINERS	$ 214,891	$ 216,410
Method of Financing:		
General Revenue Fund	$ 213,891	$ 215,410
Appropriated Receipts	1,000	1,000
Total, Method of Financing	$ 214,891	$ 216,410
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 84,366	$ 86,984
Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000
Per Diem of Board Members	1,080	1,080

BOARD OF PODIATRIC MEDICAL EXAMINERS
(Continued)

1. **Contingent Revenue.** Of the amounts appropriated above to the Board of Podiatric Medical Examiners in Strategy A.1.1, Licensure and Enforcement, the amount of $39,475 in fiscal year 2002 and $36,690 in fiscal year 2003 for the purpose of hiring an administrative technician II, obtaining medical review of appropriate compliant files and expert testimony, an increase in the executive director's salary and an increase in Health Professions Council is contingent upon the Board of Podiatric Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $93,801 in excess of $594,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Podiatric Medical Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Podiatric Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Podiatric Medical Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LICENSURE		
To protect the public by maintaining a quality program of examination and licensure to ensure the initial and continuing competency of psychologists, psychological associates, and licensed specialists in school psychology.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: LICENSING	$ 366,958	$ 371,374
To operate a quality licensure program through an efficient and cost effective program of licensure, including education, experience and examination requirements, continuing education requirements and renewal requirements.		
Output (Volume):		
Number of New Certificates/Licenses Issued to Individuals	420	420
Number of Certificates/Licenses Renewed (Individuals)	6,350	6,400
Efficiencies:		
Average Licensing Cost Per Individual License Issued	23	23
A.1.2. Strategy: PURCHASE AND GRADING	$ 112,500	$ 112,500
Purchase and grading of National Exams (estimated and nontransferable).		
Total, Goal A: LICENSURE	$ 479,458	$ 483,874
B. Goal: ENFORCEMENT LAWS & RULES		
To protect the public through enforcement of the laws and rules governing the practice of psychology in Texas and to ensure swift, fair and effective disciplinary action for violators, including re-education and/or rehabilitation of those violators.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	50%	55%

B.1.1. Strategy: ENFORCEMENT Operate a quality investigation/enforcement program in response to complaints concerning psychological practice consistent with the due process laws of Texas, in a timely manner and with a focus during enforcement on rehabilitation of the psychological provider.	$ 308,500	$ 312,230
Output (Volume):		
Complaints Resolved	200	200
Efficiencies:		
Average Time for Complaint Resolution	375	375
Explanatory:		
Number of Jurisdictional Complaints Received	160	160
Grand Total, BOARD OF EXAMINERS OF PSYCHOLOGISTS	$ 787,958	$ 796,104
Method of Financing:		
General Revenue Fund	$ 722,158	$ 730,304
Appropriated Receipts	65,800	65,800
Total, Method of Financing	$ 787,958	$ 796,104
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 189,474	$ 195,639
Number of Full-Time-Equivalent Positions (FTE):	14.0	14.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000
Per Diem of Board Members	7,050	7,050

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

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Examiners of Psychologists in Strategy A.1.1, Licensing, the amount of $5,322 in fiscal year 2002 and $6,121 in fiscal year 2003 for the Health Professions Council and network maintenance is contingent upon the Board of Examiners of Psychologists assessing fees sufficient to generate, during the 2002–03 biennium, $11,713 in excess of $2,295,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Board of Examiners of Psychologists, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Examiners of Psychologists' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

RACING COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the Texas Racing Commission Account No. 597:		
A. Goal: ENFORCE RACING REGULATION		
To enforce racing regulations in Texas.		
Outcome (Results/Impact):		
Percentage of Investigations (Individuals) Resulting in Disciplinary Action	93%	93%
Percentage of Licensees with No Recent Violations	98%	98%
Percentage of Race Animals Injured or Dismissed from the Racetrack	.3%	.3%
A.1.1. Strategy: REGULATE RACETRACK OWNERS	$ 159,216	$ 159,216
Monitor racetrack owners and their operations through regulatory and enforcement activities.		
Output (Volume):		
Number of Racetrack Inspections	50	50
Efficiencies:		
Average Regulatory Cost Per Horse Racetrack	22,218	22,218
Average Regulatory Cost Per Greyhound Racetrack	22,218	22,218
Explanatory:		
Number of Horse Tracks Regulated	7	7
Number of Greyhound Tracks Regulated	3	3
A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM	$ 6,383,590	$ 6,351,539
Administer the Texas Bred Incentive Program by monitoring the Texas bred races and account, and through timely allocation of funds to the breed registries (estimated and nontransferable).		
Output (Volume):		
Number of Texas-bred Awards	27,524	27,524
A.3.1. Strategy: SUPERVISE RACING CONDUCT	$ 1,148,843	$ 1,148,843
Supervise the conduct of racing through enforcement of regulations and monitoring of races.		
Output (Volume):		
Number of Occupational Licenses Suspended or Revoked	245	245
Number of Investigations Completed	1,372	1,372
A.4.1. Strategy: HEALTH AND DRUG TESTING PROGRAM	$ 798,305	$ 798,305
Administer Animal Health and Drug Testing Program through animal drug tests and veterinary inspections.		
Output (Volume):		
Number of Race Animals Inspected Pre-race	135,800	135,800
Total, Goal A: ENFORCE RACING REGULATION	$ 8,489,954	$ 8,457,903
B. Goal: REGULATE PARTICIPATION		
Regulate the participation in racing.		
Outcome (Results/Impact):		
Average Time Required to Issue a New Occupational License	7	7
B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM	$ 435,140	$ 435,140
Administer the Occupational Licensing Program through enforcement of regulations.		
Output (Volume):		
Number of New Occupational Licenses Issued	6,031	6,031
Number of Occupational Licenses Renewed	8,466	8,466
Efficiencies:		
Average Regulatory Cost Per Licensee	34.68	34.68

C. Goal: REGULATE PARI-MUTUEL WAGERING		
Regulate pari-mutuel wagering in Texas.		
Outcome (Results/Impact):		
Percentage of Compliance Audits Passed	95%	95%
C.1.1. Strategy: REGULATE PARI-MUTUEL WAGERING	$ 752,161	$ 752,161
Regulate pari-mutuel wagering to maintain an honest racing industry.		
Output (Volume):		
Number of Illegal Wagering Investigations Completed	12	12
Efficiencies:		
Average Cost Per Illegal Wagering Investigation	414	414
Explanatory:		
Total Pari-mutuel Handle (in Millions)	639.4	632.2
Total Take to the State Treasury from Pari-mutuel Wagering on Live and Simulcast Races	4,987,320	4,931,160
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 698,913	$ 703,998
D.1.2. Strategy: INFORMATION RESOURCES	$ 230,744	$ 233,409
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 20,408	$ 20,408
Total, Goal D: INDIRECT ADMINISTRATION	$ 950,065	$ 957,815
Grand Total, RACING COMMISSION	$ 10,627,320	$ 10,603,019
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 962,615	$ 1,004,927
Number of Full-Time-Equivalent Positions (FTE):	81.3	81.3
Number of FTEs in Riders:	14.0	14.0
Schedule of Exempt Positions:		
Executive Secretary, Group 2	$77,760	$77,760
Per Diem of Commissioners	6,500	6,500
Supplemental Appropriations Made in Riders:	$ 600,000	$ 600,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amount shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase" or for other items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
Out of the GR Dedicated - Texas Racing Commission Account No. 597:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Hardware and Software	$ 34,457	$ 34,457
Total, Capital Budget	$ 34,457	$ 34,457

2. **Limitation on Travel Reimbursement.** Out of the funds appropriated above, not more than $1,500 per commissioner may be expended on out-of-state travel and not more than $3,000 per commissioner may be expended on in-state travel in each year of the biennium.

3. **Appropriation: Unexpended Balances.** Unexpended balances remaining in Racing Commission Receipts as of August 31, 2002, are hereby appropriated for the fiscal year beginning September 1, 2002.

4. **Texas Bred Incentive Program Receipts.** All amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.

5. **Appropriation: Track Official Fees.** All revenues received from racetracks by the Texas Racing Commission for the purpose of paying track officials' fees (Object Codes 3188 and 3190) are appropriated above in Strategy A.3.1, Supervise Racing Conduct, and in Strategy A.4.1, Health and Drug Testing Program. Any revenues collected in excess of $1,913,000 in fiscal year 2002 and $1,913,000 in fiscal year 2003 are hereby appropriated to the Commission for the same purpose. Contingent upon a new racetrack becoming operational in the 2002–03 biennium and on the Racing Commission collecting revenues in excess of $1,913,000 in fiscal year 2002 or $1,913,000 in fiscal year 2003, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is increased by not more than eight each year of the biennium.

6. **Criminal History Checks.** Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, $75,000 in fiscal year 2002 and $75,000 in fiscal year 2003 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety for costs incurred in conducting criminal history checks on Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks is hereby appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety.

7. **Texas Bred Incentive Program Awards.** None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the Commission. The Texas Racing Commission shall take all necessary steps to ensure compliance with this provision.

8. **Contingency Appropriation.** Contingent upon a new racetrack becoming operational in the 2002–03 biennium, revenues received by the Texas Racing Commission for racing and wagering licenses (Object Code 3189) in Strategy B.1.1, Occupational Licensing Program, in excess of $618,000 in fiscal year 2002 or $618,000 in fiscal year 2003 are hereby appropriated to the commission for the purpose of paying racetrack licensing personnel and operating expenses. In addition, revenues received by the Racing Commission for wager ticket-outs (Object Code 3194) in Strategy C.1.1, Regulate Pari-Mutuel Wage, in excess of $2,231,000 in fiscal year 2002 or $2,282,000 in fiscal year 2003 are hereby appropriated to the commission for the purpose of paying racetrack audit and investigation personnel and operating expenses. Contingent on the Racing Commission exceeding the above revenue targets, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is increased by not more than six each year of the biennium.

9. **Contingent Revenue.** Of the amounts appropriated above to the Racing Commission, the amounts of $33,928 in each year of the 2002–03 biennium in Strategy A.3.1, Supervise Racing Conduct; $21,237 in each year of the 2002–03 biennium in Strategy A.4.1, Health and Drug Testing Programs; and $3,802 in fiscal year 2002 and $6,467 in fiscal year 2003 in Strategy D.1.2, Information Resources, are contingent on the Racing Commission generating, during the 2002–03 biennium, $120,599 not related to the opening of a new racetrack collected from wager ticket-outs (Object Code 3194) in excess of $4,513,000 contained in the Comptroller of Public

Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Racing Commission shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenue, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

REAL ESTATE COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: ENSURE STANDARDS		
To determine that applicants for licensure meet legal requirements for real estate license issuance.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
A.1.1. Strategy: TREC LICENSING	$ 944,176	$ 882,615
Perform the commission's licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	13,000	13,000
Number of Licenses Renewed (Individuals)	53,000	53,000
Efficiencies:		
Average Licensing Cost Per Individual License Issued	15	15
Average Time for Individual License Issuance	37	37
B. Goal: ENFORCE REGULATIONS		
To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.		
Outcome (Results/Impact):		
Percent of Documented Complaints Resolved within Six Months	70%	70%
B.1.1. Strategy: TREC INVESTIGATION	$ 953,598	$ 935,248
Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports.		
Output (Volume):		
Number of Complaints Resolved	3,100	3,100
Efficiencies:		
Average Time for Complaint Resolution	120	115
C. Goal: PROVIDE EDUCATION		
To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction.		
C.1.1. Strategy: LICENSEE/CONSUMER EDUCATION	$ 767,062	$ 752,405
Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions.		
Output (Volume):		
Number of Calls Received	330,000	330,000
D. Goal: LICENSING APPRAISERS		
To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and the general public for the maintenance of high		

professional standards and informed consumer decisions in real estate transactions in all areas of Texas (Art 6573a VTCS).		
Outcome (Results/Impact):		
Percent of Licensed or Certified Appraisers with No Recent Violations	98.7%	98.5%
Percent of Documented Complaints Resolved within Six Months	60%	60%
D.1.1. Strategy: TALCB LICENSING	$ 349,925	$ 356,035
Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification.		
Output (Volume):		
Number of New Licenses and Certifications Issued to Individuals	260	275
Number of Licenses and Certifications Renewed (Individuals)	1,500	2,200
D.2.1. Strategy: TALCB ENFORCEMENT	$ 116,991	$ 109,257
Investigate and resolve complaints, imposing penalties when appropriate.		
Output (Volume):		
Number of Complaints Resolved	65	67
Efficiencies:		
Average Time for Complaint Resolution	160	155
Total, Goal D: LICENSING APPRAISERS	$ 466,916	$ 465,292
E. Goal: INDIRECT ADMINISTRATION		
E.1.1. Strategy: INDIRECT ADMINISTRATION	$ 1,271,151	$ 1,371,053
Grand Total, REAL ESTATE COMMISSION	$ 4,402,903	$ 4,406,613
Method of Financing:		
General Revenue Fund	$ 4,115,203	$ 4,095,613
GR Dedicated - Appraiser Registry Account No. 028	95,700	119,000
Other Funds		
Appropriated Receipts	188,000	188,000
Real Estate Recovery Trust Fund	3,500	3,500
Real Estate Inspection Trust Fund	500	500
Subtotal, Other Funds	$ 192,000	$ 192,000
Total, Method of Financing	$ 4,402,903	$ 4,406,613
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 1,132,536	$ 1,193,446
Number of Full-Time-Equivalent Positions (FTE):	95.0	95.0
Schedule of Exempt Positions:		
Administrator, Group 2	$70,000	$70,000
Per Diem of TREC Commission Members	7,500	7,500
Per Diem of TALCB Board Members	9,720	9,720

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Lease/Acquisition of Information Resource Technologies		
(1) TALCB Computers	$ 14,299	$ 3,000
Total, Acquisition of Information Resource Technologies	$ 14,299	$ 3,000
b. Acquisition of Capital Equipment and Items		
(1) Modular Furniture	22,500	0
Total, Acquisition of Capital Equipment and Items	$ 22,500	$ 0
Total, Capital Budget	$ 36,799	$ 3,000

2. **Appropriation of Residential Service Company Examination Fees.** In addition to the funds appropriated above ($5,500 each year of the biennium), all monies collected pursuant to § 4(c), Article 6573b, VTCS, are hereby appropriated to the Texas Real Estate Commission for the purposes of conducting examinations and related activities included within Strategy A.1.1, TREC Licensing and Strategy C.1.1, Licensee/Consumer Education.

3. **Reporting Requirement.** In its annual report, the Real Estate Commission shall provide a schedule showing a breakdown of the number of broker and salesman license renewals and the amount of funds transferred to the Real Estate Research Center.

4. **Appropriation of Receipts, National Registry Fees.** All fee revenue deposited to the Appraiser Registry Account 028, in the General Revenue Fund pursuant to VTCS, Article 6573a.2, § 13, including the estimated amounts appropriated above, $95,700 in fiscal year 2002 and $119,000 in fiscal year 2003, is hereby appropriated to the Texas Appraiser Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission. The appropriation made herein shall be expended only for the purpose specified in § 13 of VTCS, Article 6573a.2, relating to revenue transmitted to the federal Appraisal Subcommittee.

5. **Real Estate Recovery Fund and Inspection Recovery Fund.** The amounts appropriated above include an estimated $4,000 per year from the Real Estate Recovery Fund and Inspection Recovery Fund to recover travel and related expenses incurred for collection of court judgments affecting the funds.

6. **Reimbursement of Advisory Committees.** Pursuant to VTCA, Government Code § 2110.004 and out of funds appropriated above, reimbursement of expenses for advisory

committee members is limited to the broker members of the Real Estate Broker-Lawyer Advisory Committee and the Real Estate Inspector Committee.

7. **Promotion of On-line Services.** It is the intent of the Legislature that the Texas Real Estate Commission print, in at least 13 point font, a notice on any form with an on-line alternative that such services are available on the Internet, listing the website address.

8. **Contingent Revenue.** Of the amounts appropriated above to the Texas Real Estate Commission, the amount of $23,300 in fiscal year 2002 and $51,133 in fiscal year 2003 for the purpose of increased lease costs and relocating 15 TREC employees, in Strategy E.1.1, Indirect Administration, the amount of $22,500 for the purchase of modular furniture, and in Strategy D.1.1, TALCB Licensing, the amount of $15,138 in fiscal year 2002 and $3,839 in fiscal year 2003 for the purpose of increased lease costs and upgrading computer hardware and software is contingent on the Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, assessing fees sufficient to generate, during the 2002–03 biennium, $115,910 in excess of $10,801,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Real Estate Commission's and the Texas Appraisal Licensing and Certification Board's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

9. **Relocation of Employees.** The Texas Real Estate Commission shall relocate 15 of its employees currently located at the Austin headquarters to a site outside the city limits of Austin by January 1, 2003.

SECURITIES BOARD

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: PROTECT INVESTORS		
To protect investors from fraud and misrepresentation; to assure that access to capital is available to business.		
Outcome (Results/Impact):		
Number of Enforcement Actions Taken	605	620
Percentage of Texas Dealers Inspected	11%	13%
Percentage of Inspected Dealers Found Out of Compliance	30%	30%
A.1.1. Strategy: LAW ENFORCEMENT	$ 1,686,254	$ 1,733,494
Aggressively investigate suspected violations of the Texas Securities Act and work closely with local, state, and federal prosecutors and law enforcement officials to insure that appropriate enforcement action is taken, including the criminal referral, indictment, and conviction of individuals who violate the provisions of the Act.		
Output (Volume):		
Number of Investigations Opened	435	448

SECURITIES BOARD
(Continued)

Efficiencies:		
Average Cost of Enforcement Actions	2,267	2,679
A.2.1. Strategy: SECURITIES REGISTRATION	$ 479,195	$ 479,195
Perform a comprehensive, timely, and responsive review of the prospectus and related documentation submitted with securities registration applications. Negotiate with the issuer or its representatives to remove unfair elements from offerings, to insert safeguards for the public, and to assure full disclosure of material considerations to facilitate the registration of offerings. Refer suspected fraudulent offerings to enforcement personnel.		
Output (Volume):		
Number of Securities Applications Processed	32,100	32,900
A.3.1. Strategy: DEALER REGISTRATION	$ 610,895	$ 610,895
Perform an extensive, timely, and responsive review of applications; conduct criminal and disciplinary investigation of applicants by contacting other law enforcement and regulatory organizations; ensure compliance with examination requirements; and oppose registration of unqualified applicants.		
Output (Volume):		
Number of New Applications Reviewed	61,028	62,859
Explanatory:		
Number of Dealers/Agents Registered	181,729	190,218
A.4.1. Strategy: INSPECT DEALER RECORDS	$ 668,073	$ 765,872
Perform a comprehensive inspection of records to ensure continuing compliance with statutory and rule requirements.		
Output (Volume):		
Number of Inspections Conducted	290	340
Efficiencies:		
Average Cost Per Inspection	2,100	2,080
Total, Goal A: PROTECT INVESTORS	$ 3,444,417	$ 3,589,456
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMIN & SUPPORT COSTS	$ 839,571	$ 839,571
Indirect administration and support costs.		
Grand Total, SECURITIES BOARD	$ 4,283,988	$ 4,429,027
Method of Financing:		
General Revenue Fund	$ 4,276,988	$ 4,422,027
Appropriated Receipts	7,000	7,000
Total, Method of Financing	$ 4,283,988	$ 4,429,027
Number of Full-Time-Equivalent Positions (FTE):	83.0	83.0
Number of FTEs in Riders:	6.5	10.0
Schedule of Exempt Positions:		
Securities Commissioner, Group 3	$90,000	$90,000
Per Diem of Board Members	1,290	1,290

SECURITIES BOARD
(Continued)

1. **Contingent Revenue.** Of the amounts appropriated above to the State Securities Board, the amounts for the strategies listed below are contingent upon activities of the Securities Board and certification by the Comptroller's Office that these activities will generate, during the 2002–03 biennium, $1,279,631 in excess of $222,802,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003.

Strategy	2002	2003
A.1.1. Law Enforcement	$ 263,740	$ 310,980
A.2.1. Securities Registration	$ 11,100	$ 11,100
A.3.1. Dealer Registration	$ 8,430	$ 8,430
A.4.1. Inspect Dealer Records	$ 157,100	$ 255,200
B.1.1. Indirect Administration and Support Costs	$ 9,000	$ 9,000

Also contingent on the State Securities Board meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 6.5 in fiscal year 2002 and 10 in fiscal year 2003. Three of these FTEs shall be used to open an enforcement office in San Antonio and none of the additional FTEs shall be permanently located in Austin.

2. **Donations for Personal Financial Literacy Educational Materials.** The State Securities Board is hereby authorized to accept and expend donations from nonprofit foundations for the sole purpose of reproducing and distributing educational materials relating to "personal financial literacy" and introducing those materials to classroom teachers in Texas schools.

3. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the State Securities Board are made contingent on the continuation of the State Securities Board by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF TAX PROFESSIONAL EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ESTABLISH AND OVERSEE PROCESS		
To ensure the State is served by qualified, certified and ethical property tax professionals.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	20%	20%
A.1.1. Strategy: CERTIFICATION PROGRAM	$ 137,898	$ 137,898
Manage a certification program by conducting exams, registering eligible individuals, administering a continuing education program and distributing information to local officials and registrants.		
Output (Volume):		
Number of Persons Certified/Recertified	475	475
Number of New Licenses Issued to Individuals	300	300
Efficiencies:		
Average Licensing Cost Per Individual License Issued	34	34
A.2.1. Strategy: ADJUDICATION	$ 3,137	$ 3,137
Provide registrants with guidance to thoroughly familiarize them with board rules on ethics and		

process questions and complaints quickly in compliance with the law and rules.		
Output (Volume):		
Number of Complaints Resolved	9	9
Total, Goal A: ESTABLISH AND OVERSEE PROCESS	$ 141,035	$ 141,035
B. Goal: QUALITY EDUCATION		
To ensure that quality property tax education courses are available to registrants and that course sponsors and instructors meet board standards.		
Outcome (Results/Impact):		
Number of Approved Courses Presented	115	115
B.1.1. Strategy: EDUCATION	$ 15,046	$ 15,046
Oversee the education program of tax professionals by contracting for course development, reviewing and approving courses, enforcing standards for sponsors and instructors and conducting a student-based evaluation program.		
Output (Volume):		
Number of Course, Sponsor and Instructor Applications Processed	20	20
Grand Total, BOARD OF TAX PROFESSIONAL EXAMINERS	$ 156,081	$ 156,081
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 72,153	$ 75,340
Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Schedule of Exempt Positions:		
Executive Director, Group 1	$52,000	$52,000

1. **Fees Established.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2002 and 2003, pursuant to provisions of VTCA, Government Code § 316.041-316.045:

(1) Registration Fee	Not Less Than $45 or More Than $75
(2) Annual Renewal Fee	Not Less Than $45 or More Than $75

PUBLIC UTILITY COMMISSION OF TEXAS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: COMPETITION/CHOICE/RATES/SERVICE		
To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and technological advancement in the electric and telecommunications industries.		
Outcome (Results/Impact):		
Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average	70.4%	71.5%
Average Cost of Electricity Per kWh in Texas for		

Residential Customers as a Percentage of the National Residential Average	92%	91%
Average Annual Residential Electric Bill as a Percent of the National Average	127%	126%
Percentage of Telephone Subscriber Lines in Texas Served by Digital Switches	70%	70%
Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers	83%	84%
A.1.1. Strategy: CASES AND ALT DISPUTE RESOLUTION	$ 5,413,375	$ 5,346,559
Conduct rate, fuel related, and depreciation cases using the Administrative Procedures Act and forms of alternative dispute resolution such that revenue requirements, cost allocation, rate design, affiliate transactions, and competitive issues in the electric and telecommunications industries are evaluated for reasonableness and compliance with all laws and commission rules; register and license service providers; evaluate utility service offerings.		
Output (Volume):		
Number of Rate Cases Completed	20	20
Number of Non-rate Cases Completed	925	925
Efficiencies:		
Average Number of Days to Complete Major Electric Rate Cases	240	240
Explanatory:		
Percent of Statewide Capacity above Peak Demand	10%	10%
A.1.2. Strategy: DEVELOP RULES AND REPORTS	$ 3,122,848	$ 3,046,821
Develop rules, conduct studies and prepare reports responsive to changes in electric and telecommunications markets.		
Output (Volume):		
Number of New or Modified Rules Adopted	86	86
Total, Goal A: COMPETITION/CHOICE/RATES/SERVICE	$ 8,536,223	$ 8,393,380
B. Goal: EDUCATION AND COMPLIANCE		
To serve the public by distributing customer education information, administering customer service programs, ensuring compliance with relevant laws and regulations governing provision of reliable high quality electric and telecommunications services, and assisting customers in resolving disputes concerning electric and telecommunications services.		
Outcome (Results/Impact):		
Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process	97%	97%
B.1.1. Strategy: PROVIDE INFO ABOUT CHANGES	$ 1,322,500	$ 1,364,343
Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.		
Output (Volume):		
Number of Information Requests to Which Responses Were Provided	78,000	78,000
Explanatory:		
Number of Calls Completed through Relay Texas	5,177,139	5,332,453

B.2.1. Strategy: INVESTIGATIONS AND ENFORCEMENT	$ 1,574,099	$ 1,715,944
Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, Public Utility Commission rules and orders.		
Investigate emerging issues based on customer complaints.		
Output (Volume):		
Number of Utilities for Which a Detailed Review of Earnings Is Conducted	104	104
Number of Compliance Investigations Conducted	90	90
Number of Customer Complaints Concluded	16,500	18,500
Efficiencies:		
Average Number of Days to Conclude Customer Complaints	55	55
Total, Goal B: EDUCATION AND COMPLIANCE	$ 2,896,599	$ 3,080,287
C. Goal: ELECTRIC UTILITY RESTRUCTURING		
Electric utility restructuring (nontransferable).		
Outcome (Results/Impact):		
Percentage Change in Customer Knowledge Resulting from the Education Campaign for Electric Competition Choices and Resources	18%	28%
Percent of Eligible Low-income Customers Served	40%	70%
C.1.1. Strategy: ENERGY ASSISTANCE	$ 97,083,960	$ 135,957,827
Energy assistance (nontransferable).		
Efficiencies:		
Average Number of Days for Retail Electric Provider Reimbursement	5	5
C.1.2. Strategy: CONSUMER EDUCATION	$ 12,000,000	$ 6,000,000
Customer education (nontransferable).		
Output (Volume):		
Number of TV and Radio Announcements Prepared	4	4
C.1.3. Strategy: PROPERTY VALUE DECLINE PMT/TRANSFER	$ 27,191,339	$ 7,259,546
Property value decline payment and transfer (nontransferable).		
Total, Goal C: ELECTRIC UTILITY RESTRUCTURING	$ 136,275,299	$ 149,217,373
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 894,633	$ 851,904
D.1.2. Strategy: INFORMATION RESOURCES	$ 563,373	$ 564,738
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 216,747	$ 217,266
Total, Goal D: INDIRECT ADMINISTRATION	$ 1,674,753	$ 1,633,908
Grand Total, PUBLIC UTILITY COMMISSION OF TEXAS	$ 149,382,874	$ 162,324,948
Method of Financing:		
General Revenue Fund	$ 11,756,732	$ 11,756,732
General Revenue (System Benefit Fund), estimated	137,151,142	150,093,216
Subtotal, General Revenue Fund	$ 148,907,874	$ 161,849,948
Appropriated Receipts	475,000	475,000
Total, Method of Financing	$ 149,382,874	$ 162,324,948
Number of Full-Time-Equivalent Positions (FTE):	242.0	242.0

Schedule of Exempt Positions:		
Commissioners, Group 4	$107,500	$107,500
Commissioners, Group 4	(2) 105,000	(2) 105,000
Executive Director, Group 4	92,000	92,000
Supplemental Appropriations Made in Riders:	$ (711,938)	$ (711,938)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Desktop Computer Lease	143,073	166,667
(2) Digital Copiers Lease	216,000	216,000
(3) Microsoft Open License Software Lease (MS Office 2000, MS SQL, MS Back Office, MS Exchange)	$ 70,000	$ 70,000
Total, Acquisition of Information Resource Technologies	$ 429,073	$ 452,667
Total, Capital Budget	$ 429,073	$ 452,667

2. **Appropriation of Receipts, Electronic Information System.** Out of Appropriated Receipts appropriated above, $80,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments; and for service agreements limited to PUC interchange support.

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

4. **Transfer Authority.** The Public Utility Commission is authorized to transfer appropriations from one item to another in amounts not to exceed 35 percent of the item from which the transfer is made for the fiscal year. The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each strategy of Goal C: Electric Utility Restructuring, except for transfers from C.1.3. Strategy: Property Value Decline Pmt/Transfer to the Texas Education Agency for the Foundation School Program pursuant to Utilities Code § 39.901.

5. **General Revenue (System Benefit Fund) Reporting.** The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the General Revenue (System Benefit Fund). The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.

6. **Appropriation of 2002 Appropriations.** The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 2002, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, 2003.

7. **Contract with the State Office of Administrative Hearings.** Appropriations above include $711,938 in fiscal year 2002 and $711,938 in fiscal year 2003 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Public Utility Division for the purpose of conducting administrative hearings and for related expenses. The Public Utility Commission and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to the Public Utility Commission. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the division, the State Office of Administrative Hearings may enter into negotiations with Public Utility Commission in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor together with written permission of the agency.

8. **Contingent Revenue.** Of the amounts appropriated to the Public Utility Commission from the General Revenue (System Benefit Fund), the estimated amounts of $137,151,142 in fiscal year 2002 and $150,093,216 in fiscal year 2003 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

9. **Allocation of System Benefit Fund.** The System Benefit Fund, calculated at the maximum statutory assessment rate estimated to be $144,617,875 in fiscal year 2002 and $161,098,949 in fiscal year 2003, has been allocated throughout this Act as follows:

	2002	2003
Public Utility Commission:		
Administration	$ 875,843	$ 875,843
10 Percent Low Income Discount	97,083,960	135,957,827
Customer Education	12,000,000	6,000,000
Transfer to Texas Education Agency for Foundation School Program	27,191,339	7,259,546
Office of Public Utility Counsel:		
Administration	$ 288,733	$ 238,733

Texas Department of Housing and Community Affairs: Weatherization Program	$ 7,178,000	$ 10,767,000
Total	$ 144,617,875	$ 161,098,949

10. **Contingent Appropriation for House Bill 1618.** Contingent upon the enactment of House Bill 1618, or similar legislation that would assess an additional fee on drivers license reinstatements, Rider 7, Contract with the State Office of Administrative Hearings, above shall be considered struck and does not take effect. Out of the amounts appropriated above in Strategy A.1.1, Cases and Alternative Dispute Resolution, $711,938 in fiscal year 2002 and $711,938 in fiscal year 2003 of General Revenue shall be transferred from the Public Utility Commission to the State Office of Administrative Hearings for use in Strategy A.1.1, Conduct Hearings.

OFFICE OF PUBLIC UTILITY COUNSEL

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EQUITABLE ELECTRIC RATES		
To represent residential and small business consumers aggressively in electric utility matters to ensure that residential and small commercial customers benefit from competition and are protected during the transition to a more competitive market.		
Outcome (Results/Impact):		
Percentage of OPUC Electric Proceedings That Are Competition Related	50%	50%
A.1.1. Strategy: PARTICIPATION IN PROCEEDINGS	$ 1,297,126	$ 1,247,126
Participate in electric proceedings involving competitive and customer protection issues or impacting consumer's bills.		
Output (Volume):		
Number of Electric Cases in Which OPUC Participates	53	45
Number of Electric Projects in Which OPUC Participates	20	15
Efficiencies:		
Average Cost Per Electric Proceeding in Which OPUC Participates	12,000	12,000
B. Goal: TELEPHONE COMPETITION		
To represent residential and small business consumers aggressively by providing comprehensive telecommunications analysis and representation at the Public Utility Commission, the FCC, and in state and federal courts to ensure that residential and small commercial consumers benefit from competition and are protected during the transition to a more competitive market.		
Outcome (Results/Impact):		
Percentage of OPUC Telecommunications Proceedings That Are Competition Related	65%	65%
B.1.1. Strategy: TELECOMMUNICATIONS PROCEEDINGS	$ 672,395	$ 672,395
Participate in telecommunications proceedings involving competitive issues/consumer safeguards or new and/or advanced technologies and services. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting residential and small business telecommunications customers.		

OFFICE OF PUBLIC UTILITY COUNSEL
(Continued)

Output (Volume):		
Number of Telecommunications Cases in Which OPUC Participates	15	15
Number of Telecommunications Projects in Which OPUC Participates	32	32
Efficiencies:		
Average Cost Per Telecommunications Proceeding in Which OPUC Participates	4,000	4,000
Grand Total, OFFICE OF PUBLIC UTILITY COUNSEL	$ 1,969,521	$ 1,919,521
Method of Financing:		
General Revenue Fund	$ 1,680,788	$ 1,680,788
General Revenue (System Benefit Fund)	288,733	238,733
Total, Method of Financing	$ 1,969,521	$ 1,919,521
Number of Full-Time-Equivalent Positions (FTE):	26.0	26.0
Schedule of Exempt Positions:		
Public Counsel, Group 2	$83,000	$83,000

1. **Unexpended Balance Authority.** The unobligated and unexpended balances of appropriations to the Office of Public Utility Counsel for the fiscal year ending August 31, 2002, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2003.

2. **Contingent Revenue.** Of the amounts appropriated above to the Office of Public Utility Counsel from General Revenue (System Benefit Fund), the amounts of $288,733 in fiscal year 2002 and $238,733 in fiscal year 2003 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon completion of necessary actions for assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF VETERINARY MEDICAL EXAMINERS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: VETERINARY REGULATION		
To establish and implement reasonable standards for veterinary practice, investigate complaints, and enforce Chapter 801, Texas Occupations Code to assure that safe and effective veterinary services are delivered to the citizens of Texas.		
Outcome (Results/Impact):		
Percentage of Licensees with No Recent Violations	99%	99%
Percentage of Complaints Resolved Resulting in Disciplinary Action	11%	11%
Recidivism Rate for Peer Assistance Programs	33%	20%
A.1.1. Strategy: OPERATE LICENSURE SYSTEM	$ 161,440	$ 169,433
Operate an efficient and comprehensive		

veterinary licensure program to include initial licensure by examination and the ongoing renewal of licenses.		
Output (Volume):		
Number of New Licenses Issued to Individuals	271	276
Number of Individual Licenses Renewed	6,114	6,264
Efficiencies:		
Average Licensing Cost Per Individual License Issued	5.08	4.97
A.2.1. Strategy: COMPLAINTS AND ACTION	$ 408,288	$ 408,073
Investigate all complaints received and take disciplinary action against veterinarians who have violated the law and/or board rules and conduct a compliance program to secure voluntary compliance with the law and board rules.		
Output (Volume):		
Number of Complaints Resolved	214	214
Efficiencies:		
Average Time for Complaint Resolution	140	140
Explanatory:		
Number of Jurisdictional Complaints Received	214	214
A.2.2. Strategy: PEER ASSISTANCE	$ 20,810	$ 21,260
Identify, refer and assist those veterinarians whose practice is impaired.		
Output (Volume):		
Number of Individuals Participating in a Peer Assistance Program	12	12
Total, Goal A: VETERINARY REGULATION	$ 590,538	$ 598,766
Grand Total, BOARD OF VETERINARY MEDICAL EXAMINERS	$ 590,538	$ 598,766
Method of Financing:		
General Revenue Fund	$ 590,038	$ 598,266
Appropriated Receipts	500	500
Total, Method of Financing	$ 590,538	$ 598,766
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 166,432	$ 171,175
Number of Full-Time-Equivalent Positions (FTE):	10.3	10.3
Number of FTEs in Riders:	0.5	0.5
Schedule of Exempt Positions:		
Executive Director, Group 1	$60,000	$60,000
Per Diem of Board Members	8,500	8,500

1. **Appropriation: Peer Assistance Program Penalties.** The amounts appropriated above in A.2.2. Strategy: PEER ASSISTANCE include $3,500 per year from all administrative penalties generated pursuant to Tex. OCC Code Ann. § 801.1413 (Vernon 2000) Any additional penalties are hereby appropriated to the Board of Veterinary Medical Examiners for the purpose of financing the Peer Assistance program, as defined in the VTCA, Health and Safety Code, Chapter 467.

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas Board of Veterinary Medical Examiners in Strategy A.1.1, Operate Licensure System, the amount of $31,993 in fiscal year 2002 and the amount of $32,753 in fiscal year 2003 is contingent on the Texas Board

of Veterinary Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, $82,391 in excess of $1,724,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Veterinary Medical Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by .5 in fiscal year 2002 and .5 in fiscal year 2003. The Board of Veterinary Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for an Information Technology, Systems Analyst I Full-time Position to be shared with the Texas Optometry Board and the Texas Health Professions Council.

WORKERS' COMPENSATION COMMISSION

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SAFE AND HEALTHY WORK PLACES		
To promote safe and healthy workplaces.		
Outcome (Results/Impact):		
Statewide Incidence Rate of Injuries and Illnesses Per 100 Full-time Employees	5.2	5.2
A.1.1. Strategy: HEALTH AND SAFETY SERVICES	$ 4,589,979	$ 4,631,244
Develop and provide health and safety services such as needs analyses, education, consultations, investigations and inspections to employers, to employees, academic institutions, and to other entities in the Texas workplace.		
Output (Volume):		
Number of Inspections, Consultations and Investigations Provided to Employers	3,670	3,670
Efficiencies:		
Average Cost Per Consultation/Inspection/Investigation	700	700
B. Goal: BENEFITS AND DELIVERY		
To ensure the delivery of appropriate benefits.		
Outcome (Results/Impact):		
Average Number of Days for the Required Initial Benefit Payment to Be Issued after Benefits Begin to Accrue	9	8.5
Percentage of Documents Received and Maintained Electronically by the Commission	59%	77%
B.1.1. Strategy: MEDICAL COST CONTAINMENT	$ 1,634,446	$ 1,653,035
Establish and maintain rules, guidelines, and programs that ensure appropriate utilization of medical services.		
Output (Volume):		
Number of Health Care Audits Completed	48	48
B.2.1. Strategy: INVESTIGATIONS/COMPLIANCE	$ 2,133,600	$ 2,162,651
Monitor and enforce compliance of health care providers, insurance carriers, employees, employers, attorneys, and other participants		

with the statute and rules through audits, criminal investigations and administrative violation referrals and take appropriate enforcement action.		
Output (Volume):		
Number of Fraud Investigations Completed	573	573
B.3.1. Strategy: PROCESS CLAIM FILES	$ 9,224,376	$ 9,276,611
Establish and maintain injured worker claim files and develop and implement processes to receive and maintain documents in an electronic format.		
Output (Volume):		
Number of Injury Records Created	207,737	209,814
Number of Injury Records Created for Income/Indemnity Injuries	111,670	112,790
Explanatory:		
Estimated Percentage of Employers Reported Participating In the Workers' Compensation System	60%	60%
B.4.1. Strategy: REGULATE SELF-INSURANCE	$ 662,893	$ 669,090
Ensure that certified self-insuring employers meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification.		
Output (Volume):		
Number of Self-insurance Applicants or Renewals Certified	56	57
Total, Goal B: BENEFITS AND DELIVERY	$ 13,655,315	$ 13,761,387
C. Goal: DISPUTE RESOLUTION		
To minimize and resolve disputes.		
Outcome (Results/Impact):		
Percentage of Benefit Dispute Cases Resolved by the Commission's Informal Dispute Resolution System	90%	91%
Percentage of Medical Benefit Dispute Cases Resolved in the Informal System	95%	96%
Average Number of Days to Resolve Benefit Dispute	31.5	31
C.1.1. Strategy: INFORMAL RESOLUTION	$ 8,346,181	$ 8,394,100
Provide injured workers and employers with information about their rights and responsibilities, resolve disputes by talking with the participants, and conduct compensation benefit review conferences.		
Output (Volume):		
Number of Compensation Benefit Dispute Cases Concluded in Benefit Review Conference	20,700	21,500
Efficiencies:		
Average Number of Days from the Request for Benefit Review Conference to the Conclusion of the Benefit Review Conference	62	60
Average Number of Days to Complete Medical Dispute Cases	25	25
C.1.2. Strategy: FORMAL RESOLUTION	$ 5,835,539	$ 5,874,698
Conduct benefit contested case hearings, conduct reviews when participants appeal decisions made by benefit contested case hearings officers, and provide arbitration; and process hearings under the Administrative Procedure Act.		
Output (Volume):		
Number of Compensation Benefit Dispute Cases Concluded in Contested Case Hearings	6,800	6,900

Efficiencies:		
Average Number of Days from the Request for a Contested Case Hearing to the Distribution of the Decision	73	71
Total, Goal C: DISPUTE RESOLUTION	$ 14,181,720	$ 14,268,798
D. Goal: INDIRECT ADMINISTRATION		
D.1.1. Strategy: CENTRAL ADMINISTRATION	$ 4,390,474	$ 4,461,731
D.1.2. Strategy: INFORMATION RESOURCES	$ 10,850,309	$ 9,839,880
D.1.3. Strategy: OTHER SUPPORT SERVICES	$ 1,272,089	$ 1,284,481
D.1.4. Strategy: REGIONAL ADMINISTRATION	$ 736,337	$ 736,922
Total, Goal D: INDIRECT ADMINISTRATION	$ 17,249,209	$ 16,323,014
Grand Total, WORKERS' COMPENSATION COMMISSION	$ 49,676,223	$ 48,984,443
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 46,304,209	$ 45,612,427
Earned Federal Funds	224,406	224,407
Subtotal, General Revenue Fund	$ 46,528,615	$ 45,836,834
Federal Funds	1,806,871	1,806,871
Other Funds		
Appropriated Receipts	1,324,737	1,324,738
Interagency Contracts	16,000	16,000
Subtotal, Other Funds	$ 1,340,737	$ 1,340,738
Total, Method of Financing	$ 49,676,223	$ 48,984,443
Number of Full-Time-Equivalent Positions (FTE):	1,128.0	1,128.0
Schedule of Exempt Positions:		
Executive Director, Group 4	$112,000	$112,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Mailer/Inserter System Replacement	$ 123,380	$ 0
(2) LAN/Telecommunication Upgrades	169,000	206,000
(3) Call Center	211,979	0
(4) Desktop Computers	1,227,200	1,227,200
(5) Business Process Improvement	3,560,000	UB
Total, Acquisition of Information Resource Technologies	$ 5,291,559	$ 1,433,200
Total, Capital Budget	$ 5,291,559	$ 1,433,200

2. **Appropriation of Certain Fees.** Revenues collected by the commission as reproduction fees, third party reimbursements, seminar fees, publication fees, and fees collected for audits, inspections, and consultations are hereby appropriated to the Workers' Compensation Commission for the biennium beginning September 1, 2001.

3. **Administrative Penalties.** The amounts appropriated above in Strategy B.2.1, Investigations/Compliance, include $100,000 each year from revenues collected by the commission as administrative penalties provided that expenditure of such funds appropriated above shall be limited to such expenses as may be necessary to prosecute administrative violations under the Texas Workers' Compensation Act, including costs of conducting Administrative Procedure Act hearings.

4. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that revenues as authorized and generated by the commission cover, at a minimum, the cost of general revenue appropriations made above, as well as covering "other direct and indirect costs" associated with such general revenue appropriations. "Other direct and indirect costs" associated with such general revenue appropriations are estimated to be $10,941,986 for fiscal year 2002 and $11,492,075 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. The application of this provision shall be consistent with applicable statutory provisions governing the commission's assessment of tax rates and fees. When the commission sets the rate of assessment for the maintenance tax, it shall take into account a surplus or deficit produced by the tax in the preceding year and other factors as provided by § 403.003, Labor Code, Rate of Assessment.

5. **Appropriation of Unexpended Balances.** Any unexpended balances as of August 31, 2002, not to exceed 5 percent for any line item of appropriation, are hereby appropriated to the Texas Workers' Compensation Commission for the same purposes for the year beginning September 1, 2002.

* 6. **Contingent Revenue.** Of the amounts appropriated above to the Texas Workers' Compensation Commission, the amount of $11,632 in Strategy C.1.1, Informal Resolution in fiscal year 2002 and fiscal year 2003, the amount of $11,632 in Strategy C.1.2, Formal Resolution, in fiscal year 2002 and fiscal year 2003 for salaries, and the amount of $1,060,000 in fiscal year 2002 in Strategy D.1.2, Information Resources, is contingent on the Texas Workers' Compensation Commission assessing rates sufficient to generate, during the 2002–03 biennium, $1,119,686 in excess of $112,897,822 (Object Code 3175), contained in the

* Should read "(Object Code 3219)."

Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas Workers' Compensation Commission upon completion of necessary actions to assess or increase such additional revenues, shall furnish copies of the Texas Workers' Compensation Commission's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

7. **Business Process Improvement.** Of the amounts appropriated above to the Texas Workers' Compensation Commission, an amount not to exceed $3.56 million for the biennium shall be used for the Business Process Improvement Project expenditures. The unexpended balances for the Business Process Improvement Project for the fiscal year ending August 31, 2002, not to exceed $3.56 million, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2003.

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

	For the Years Ending August 31, 2002	August 31, 2003
Out of the Research and Oversight Council on Workers' Compensation Fund Account No 5016:		
A. Goal: STUDY AND MONITOR SYSTEM To conduct factual, unbiased research and professional studies, monitor the agencies and entities involved in the workers' compensation system, develop sound policy recommendations regarding regulatory or legislative changes, provide information on workers' compensation to the general public and respond to constituents' needs for assistance.		
Outcome (Results/Impact):		
Percentage of Professional Studies Completed within Schedule	90%	90%
Number of Publications Produced	10	10
A.1.1. Strategy: CONDUCT PROFESSIONAL STUDIES Determine research needed relating to the workers' compensation system; collect and analyze workers' compensation data; conduct research projects relating to workers' compensation; administer research contracts and manage research projects; and conduct professional studies.	$ 688,222	$ 688,222
Output (Volume):		
Number of Professional Studies Completed by the ROC	10	10
Efficiencies:		
Average Cost Per Professional Study Completed by the ROC	38,000	35,000
A.1.2. Strategy: PROVIDE OVERSIGHT Provide oversight by reviewing and analyzing Texas workers' compensation agencies and entities; evaluate legislative recommendations made by workers' compensation agencies and entities; monitor workers' compensation-related meetings of boards, commissions and legislative committees with workers' compensation responsibilities; develop legislative and regulatory recommendations; provide the public	$ 267,651	$ 267,651

with information pertaining to the workers' compensation system; distribute professional studies and publications; and respond to constituent requests for assistance.		
Output (Volume):		
Number of Publications Distributed	20,000	23,000
Total, Goal A: STUDY AND MONITOR SYSTEM	$ 955,873	$ 955,873
Grand Total, RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION	$ 955,873	$ 955,873
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 163,702	$ 169,638
Number of Full-Time-Equivalent Positions (FTE):	13.0	13.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$76,000	$76,000

1. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with the application of § 404.003, Labor Code, relating to the Research and Oversight Council on Workers' Compensation Maintenance Tax, and other applicable statutory provisions governing support of the agency.

2. **Contingent Revenue.** Of the amounts appropriated above to the Research and Oversight Council on Workers' Compensation in Strategy A.1.1. Conduct Professional Studies, the amount of $237,500 in fiscal year 2002 and $237,500 in fiscal year 2003 for the purpose of funding a Researcher V and participating in the Workers' Compensation Research Institute's Multi-State Comparison Study are contingent on the Research and Oversight Council on Workers' Compensation generating, during the 2002–03 biennium, $504,694 in excess of $1,628,000 (Object Code 3220), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Research and Oversight Council on Workers' Compensation, upon completion of necessary actions to increase such revenues, shall furnish information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

3. **Researcher V**. Of the amounts appropriated above in Strategy A.1.1, Conduct Professional Studies, the amount of $52,500 in fiscal year 2002 and $52,500 in fiscal year 2003 are contingent upon the Research and Oversight Council on Workers' Compensation hiring a Researcher V to fill one of the vacant Researcher V positions.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 8,332,168	$ 8,498,811
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 17,800,232	$ 20,118,821
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 26,132,400	$ 28,617,632
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 26,132,400	$ 28,617,632
Method of Financing:		
General Revenue Fund, estimated	$ 16,854,637	$ 18,462,410
General Revenue - Dedicated, estimated	8,970,613	9,841,312
Federal Funds, estimated	307,150	313,910
Total, Method of Financing	$ 26,132,400	$ 28,617,632

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 10,320,791	$ 10,527,207
A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 1,997,919	$ 1,853,369
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 12,318,710	$ 12,380,576
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 12,318,710	$ 12,380,576
Method of Financing:		
General Revenue Fund, estimated	$ 8,005,112	$ 8,054,247
General Revenue - Dedicated, estimated	4,188,859	4,208,340
Federal Funds, estimated	124,739	117,989
Total, Method of Financing	$ 12,318,710	$ 12,380,576

LEASE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.	$ 5,421,033	$ 5,397,566 & UB
Grand Total, LEASE PAYMENTS	$ 5,421,033	$ 5,397,566
Method of Financing:		
General Revenue Fund	$ 2,386,463	$ 2,381,825
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,034,570	3,015,741
Total, Method of Financing	$ 5,421,033	$ 5,397,566

SPECIAL PROVISIONS RELATING TO ALL REGULATORY AGENCIES

Sec. 2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by each of the following agencies cover, at a minimum, the cost of appropriations made above and elsewhere in this Act to those agencies as well as an amount equal to the amount identified in the informational item "Other Direct and Indirect Costs Appropriated Elsewhere in This Act":

Board of Public Accountancy
Board of Architectural Examiners
Board of Barber Examiners
Board of Chiropractic Examiners
Cosmetology Commission
Credit Union Department
Board of Dental Examiners
Board of Registration for Professional Engineers
Department of Banking
Office of Consumer Credit Commissioner
Savings and Loan Department
Funeral Service Commission
Department of Insurance
Office of Public Insurance Counsel
Board of Professional Land Surveying
Department of Licensing and Regulation
Board of Medical Examiners
Board of Nurse Examiners
Board of Vocational Nurse Examiners
Optometry Board
Structural Pest Control Board
Board of Pharmacy
Executive Council of Physical Therapy and Occupational Therapy Examiners
Board of Plumbing Examiners
Board of Podiatric Medical Examiners
Board of Examiners of Psychologists
Racing Commission
Real Estate Commission
Board of Tax Professional Examiners
Board of Veterinary Medical Examiners
Research and Oversight Council on Workers Compensation

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

Sec. 3. **Funding for Health Professions Council.** An agency participating in the Health Professions Council shall transfer funds through interagency contract to the Health Professions Council from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under Chapter 101, Occupation Code. The number of full-time-equivalent staff employed by the Council may not exceed three (3). Funds shall be transferred by the following participating agencies in the amounts noted below for each year of the 2002–03 biennium:

	2002	2003
Board of Chiropractic Examiners	$ 3,563	$ 3,882
Board of Dental Examiners	10,787	11,751

Board of Medical Examiners	26,839	29,239
Board of Nurse Examiners	17,964	19,570
Optometry Board	6,903	7,520
Board of Pharmacy	30,513	33,241
Executive Council of Physical and Occupational Therapy Examiners	6,659	7,254
Board of Podiatric Medical Examiners	2,405	2,620
Board of Examiners of Psychologists	8,936	9,735
Board of Veterinary Medical Examiners	8,492	9,251
Funeral Service Commission	2,100	2,100
Board of Vocational Nurse Examiners	12,485	13,600
	$ 137,646	$ 149,763

The Texas Department of Health also contributes $14,909 in fiscal year 2002 and $16,242 in fiscal year 2003 to the Health Professions Council.

Sec. 4. **Peer Assistance Program Funding Requirements.** Funds collected during the biennium beginning September 1, 2001, by the Board of Pharmacy pursuant to Chapter 564, Occupation Code, and by the Board of Nurse Examiners, the Board of Vocational Nurse Examiners, the Board of Dental Examiners, and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness, are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or Chapter 564, Occupation Code as appropriate. None of the appropriations identified by this section may be expended unless

1. each agency with a peer assistance program has on file the following current documents:

    a. Request for Proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;
    b. documentation for programs authorized under Chapter 467 of the Health and Safety Code that the agency's peer assistance program has been certified by the Texas Commission on Alcohol and Drug Abuse (TCADA) as meeting all TCADA criteria for peer assistance programs;
    c. documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and
    d. documentation that the program has been approved by the agency governing board.

2. by August 15, 2002, each agency with a peer assistance program has on file the following:

    a. documentation of annual financial audits of the peer assistance program performed by the State Auditor, or by an outside entity subject to review by the State Auditor, to ensure compliance with contractual requirements.

Sec. 5. **Relocation.** It is the intent of the Legislature that any agency in Article VIII with a lease expiring in the Austin metropolitan area during the 2002–03 biennium explore the feasability of relocating the leased facilities outside of the Austin metropolitan area. The agency shall conduct a cost benefit analysis concerning the possible relocation and report to the Legislature no later than two months before the term of the lease expires.

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Board of Public Accountancy	$ 2,917,734	$ 3,241,454
State Office of Administrative Hearings	1,312,355	1,416,845
Contingency Appropriations	1,103,058	874,058
Total	2,415,413	2,290,903
Board of Architectural Examiners	1,553,616	1,475,238
Rider Appropriations	290,000	100,000
Total	1,843,616	1,575,238
Board of Barber Examiners	589,934	549,621
Board of Chiropractic Examiners	330,347	330,665
Cosmetology Commission	2,019,052	1,826,289
Credit Union Department	1,523,448	1,556,887
Contingency Appropriations	120,000	192,000
Total	1,643,448	1,748,887
Texas State Board of Dental Examiners	1,247,223	1,243,587
Board of Professional Engineers	1,623,600	1,623,600
Finance Commission of Texas	197,970	197,970
Department of Banking	10,145,123	10,126,901
Contingency Appropriations	4,350,432	4,350,432
Total	14,495,555	14,477,333
Office of Consumer Credit Commissioner	2,442,498	2,442,498
Savings and Loan Department	1,408,904	1,383,905
Contingency Appropriations	512,500	739,100
Total	1,921,404	2,123,005
Funeral Service Commission	862,441	527,127
Department of Insurance	30,483,799	32,414,530
Office of Public Insurance Counsel	1,198,426	1,198,426
Board of Professional Land Surveying	361,131	357,631
Department of Licensing and Regulation	7,084,139	6,445,664
Board of Medical Examiners	5,069,697	5,062,224
Board of Nurse Examiners	2,401,768	2,483,788
Board of Vocational Nurse Examiners	1,325,972	1,329,955
Optometry Board	321,465	327,829
Structural Pest Control Board	1,251,481	1,233,549
Executive Council of Physical Therapy & Occupational Therapy Examiners	769,865	770,462
Board of Plumbing Examiners	1,463,767	1,522,970
Board of Podiatric Medical Examiners	213,891	215,410
Board of Examiners of Psychologists	722,158	730,304
Real Estate Commission	4,115,203	4,095,613
Securities Board	4,276,988	4,422,027
Board of Tax Professional Examiners	156,081	156,081
Public Utility Commission of Texas	148,907,874	161,849,948
Contingency Appropriations	(711,938)	(711,938)
Total	148,195,936	161,138,010

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue)
(Continued)

Office of Public Utility Counsel	1,969,521	1,919,521
Board of Veterinary Medical Examiners	590,038	598,266
Workers' Compensation Commission	46,528,615	45,836,834
Subtotal, Regulatory	$ 293,050,176	$ 306,457,271
Retirement and Group Insurance	16,854,637	18,462,410
Social Security and Benefit Replacement Pay	8,005,112	8,054,247
Subtotal, Employee Benefits	$ 24,859,749	$ 26,516,657
Lease Payments	5,421,033	5,397,566
TOTAL, ARTICLE VIII - REGULATORY	$ 323,330,958	$ 338,371,494

RECAPITULATION - ARTICLE VIII
REGULATORY
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
Cosmetology Commission, Rider Appropriations	70,000	0
Department of Insurance	$ 18,275,659	$ 16,344,928
Board of Pharmacy	2,713,431	2,707,200
Racing Commission	10,627,320	10,603,019
Rider Appropriations	600,000	600,000
Total	11,227,320	11,203,019
Real Estate Commission	95,700	119,000
Research and Oversight Council on Workers' Compensation	955,873	955,873
Subtotal, Regulatory	$ 33,337,983	$ 31,330,020
Retirement and Group Insurance	8,970,613	9,841,312
Social Security and Benefit Replacement Pay	4,188,859	4,208,340
Subtotal, Employee Benefits	$ 13,159,472	$ 14,049,652
TOTAL, ARTICLE VIII - REGULATORY	$ 46,497,455	$ 45,379,672

RECAPITULATION - ARTICLE VIII
REGULATORY
(Federal Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Department of Banking	$ 75,000	$ 75,000
Structural Pest Control Board	100,000	100,000
Workers' Compensation Commission	1,806,871	1,806,871
Subtotal, Regulatory	$ 1,981,871	$ 1,981,871
Retirement and Group Insurance	307,150	313,910
Social Security and Benefit Replacement Pay	124,739	117,989
Subtotal, Employee Benefits	$ 431,889	$ 431,899
TOTAL, ARTICLE VIII - REGULATORY	$ 2,413,760	$ 2,413,770

RECAPITULATION - ARTICLE VIII
REGULATORY
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Board of Public Accountancy	$ 55,000	$ 55,000
State Office of Administrative Hearings	4,777,597	4,728,127
Contingency Appropriations	(856,538)	(856,538)
Total	3,921,059	3,871,589
Board of Architectural Examiners	6,895	7,220
Board of Chiropractic Examiners	13,007	13,007
Cosmetology Commission	330,766	210,000
Texas State Board of Dental Examiners	137,555	137,556
Board of Professional Engineers	8,700	8,700
Department of Banking	30,000	30,000
Rider Appropriations	5,000	5,000
Total	35,000	35,000
Savings and Loan Department	600	600
Funeral Service Commission	5,000	5,000
Department of Insurance	486,814	486,814
Department of Licensing and Regulation	111,962	110,962
Board of Medical Examiners	180,000	180,000
Board of Nurse Examiners	643,000	643,000
Board of Vocational Nurse Examiners	33,100	28,100
Optometry Board	33,824	33,824
Board of Pharmacy	107,533	66,126
Executive Council of Physical Therapy & Occupational Therapy Examiners	25,000	25,000
Board of Plumbing Examiners	17,000	17,000
Board of Podiatric Medical Examiners	1,000	1,000
Board of Examiners of Psychologists	65,800	65,800
Real Estate Commission	192,000	192,000
Securities Board	7,000	7,000
Public Utility Commission of Texas	475,000	475,000
Board of Veterinary Medical Examiners	500	500
Workers' Compensation Commission	1,340,737	1,340,738
Subtotal, Regulatory	$ 8,233,852	$ 8,016,536
Less Interagency Contracts	$ 1,469,389	$ 1,455,210
TOTAL, ARTICLE VIII - REGULATORY	$ 6,764,463	$ 6,561,326

RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Board of Public Accountancy	$ 2,972,734	$ 3,296,454
State Office of Administrative Hearings	6,089,952	6,144,972
Contingency Appropriations	246,520	17,520
Total	6,336,472	6,162,492
Board of Architectural Examiners	1,560,511	1,482,458
Rider Appropriations	290,000	100,000
Total	1,850,511	1,582,458
Board of Barber Examiners	589,934	549,621
Board of Chiropractic Examiners	343,354	343,672
Cosmetology Commission	2,349,818	2,036,289
Rider Appropriations	70,000	0
Total	2,419,818	2,036,289
Credit Union Department	1,523,448	1,556,887
Contingency Appropriations	120,000	192,000
Total	1,643,448	1,748,887
Texas State Board of Dental Examiners	1,384,778	1,381,143
Board of Professional Engineers	1,632,300	1,632,300
Finance Commission of Texas	197,970	197,970
Department of Banking	10,250,123	10,231,901
Rider Appropriations	5,000	5,000
Contingency Appropriations	4,350,432	4,350,432
Total	14,605,555	14,587,333
Office of Consumer Credit Commissioner	2,442,498	2,442,498
Savings and Loan Department	1,409,504	1,384,505
Contingency Appropriations	512,500	739,100
Total	1,922,004	2,123,605
Funeral Service Commission	867,441	532,127
Department of Insurance	49,246,272	49,246,272
Office of Public Insurance Counsel	1,198,426	1,198,426
Board of Professional Land Surveying	361,131	357,631
Department of Licensing and Regulation	7,196,101	6,556,626
Board of Medical Examiners	5,249,697	5,242,224
Board of Nurse Examiners	3,044,768	3,126,788
Board of Vocational Nurse Examiners	1,359,072	1,358,055
Optometry Board	355,289	361,653
Structural Pest Control Board	1,351,481	1,333,549
Board of Pharmacy	2,820,964	2,773,326
Executive Council of Physical Therapy & Occupational Therapy Examiners	794,865	795,462
Board of Plumbing Examiners	1,480,767	1,539,970
Board of Podiatric Medical Examiners	214,891	216,410
Board of Examiners of Psychologists	787,958	796,104

RECAPITULATION - ARTICLE VIII
REGULATORY
(All Funds)
(Continued)

Racing Commission	10,627,320	10,603,019
Rider Appropriations	600,000	600,000
Total	11,227,320	11,203,019
Real Estate Commission	4,402,903	4,406,613
Securities Board	4,283,988	4,429,027
Board of Tax Professional Examiners	156,081	156,081
Public Utility Commission of Texas	149,382,874	162,324,948
Contingency Appropriations	(711,938)	(711,938)
Total	148,670,936	161,613,010
Office of Public Utility Counsel	1,969,521	1,919,521
Board of Veterinary Medical Examiners	590,538	598,766
Workers' Compensation Commission	49,676,223	48,984,443
Research and Oversight Council on Workers' Compensation	955,873	955,873
Subtotal, Regulatory	$ 336,603,882	$ 347,785,698
Retirement and Group Insurance	26,132,400	28,617,632
Social Security and Benefit Replacement Pay	12,318,710	12,380,576
Subtotal, Employee Benefits	$ 38,451,110	$ 40,998,208
Lease Payments	5,421,033	5,397,566
Less Interagency Contracts	$ 1,469,389	$ 1,455,210
TOTAL, ARTICLE VIII - REGULATORY	$ 379,006,636	$ 392,726,262
Number of Full-time Equivalent Positions (FTE)	3,876.0	3,886.5

ARTICLE IX

PART 1. GENERAL PROVISIONS LEGISLATIVE INTENT

Sec. 1.01. **Limitations.** The provisions of this Article and all other Articles of this Act are limitations on the appropriations made by this Act. It is the purpose of the Legislature in enacting this bill only to appropriate funds and to restrict and limit by its provisions the amount and conditions under which the appropriations can be expended.

PART 2. PROVISIONS RELATING TO THE POSITION CLASSIFICATION PLAN

Sec. 2.01. **Position Classification Plan.** Except as otherwise specifically provided in this Act, expenditures of appropriations for the salaries of employees, in classified positions in all affected agencies appropriated funds by this Act, other than institutions of higher education, university system offices, the Texas Higher Education Coordinating Board, and the Texas National Research Laboratory Commission, are governed by Chapter 654, Government Code (the Position Classification Act), Chapter 659, Government Code, and this section, including the following lists of position classification numbers, position titles, salary group allocations, and rates of pay in classification salary schedules as provided by this Article. As used with respect to salary ranges, "minimum" means the lowest rate in a salary range; "midpoint" means the rate designated as Step 5 in Salary Schedule A; “midpoint” for Salary Schedule B may be determined by adding the minimum and maximum rates of a salary group and dividing the sum by two; and “maximum” means the highest rate designated in a salary range. With respect to Salary Schedule C, annual rates listed are actual salaries to be paid to employees in the applicable salary groups, except for ranges in C1 and C10 that allow for career development progressions as established by the agencies.

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS

Class Number	Position Title	Salary Group
0004	Switchboard Operator I	A4
0006	Switchboard Operator II	A5
0051	Clerk I	A2
0053	Clerk II	A4
0055	Clerk III	A6
0057	Clerk IV	A8
0059	Clerk V	A10
0131	Secretary I	A5
0133	Secretary II	A6
0135	Secretary III	A8
0137	Secretary IV	A10
0147	Word Processing Operator I	A6
0148	Word Processing Operator II	A8
0149	Word Processing Operator III	A10
0150	Administrative Technician I	A8
0152	Administrative Technician II	A11
0154	Administrative Technician III	A13
0156	Administrative Technician IV	A15
0203	Data Entry Operator I	A6
0205	Data Entry Operator II	A8
0207	Data Entry Operator III	A10
0218	ADP Record Control Clerk I	A7
0220	ADP Record Control Clerk II	A9
0221	ADP Equipment Operator I	A7
0223	ADP Equipment Operator II	A9
0225	ADP Equipment Operator III	A11
0227	ADP Equipment Operator IV	A14
0235	Systems Support Specialist I	A10
0236	Systems Support Specialist II	A12
0237	Systems Support Specialist III	A14
0238	Systems Support Specialist IV	A16
0330	Printing Services Technician I	A7
0331	Printing Services Technician II	A9
0332	Printing Services Technician III	A11
0333	Printing Services Technician IV	A13
0334	Printing Services Technician V	A15
0335	Printing Services Technician VI	A16
0340	Microfilm Camera Operator I	A6
0341	Microfilm Camera Operator II	A8
0350	Micrographics Technician I	A9
0352	Micrographics Technician II	A11
0354	Micrographics Technician III	A13
0356	Micrographics Technician IV	A15
0365	Photographer I	A14
0367	Photographer II	A16
0540	Research Assistant I	A11
0542	Research Assistant II	A13
0810	Teacher Aide I	A6
0812	Teacher Aide II	A9
0814	Teacher Aide III	A13
1240	Reimbursement Officer I	A9

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

1242	Reimbursement Officer II	A11
1244	Reimbursement Officer III	A13
1246	Reimbursement Officer IV	A15
1248	Reimbursement Officer V	A17
1360	Sample Technician I	A6
1362	Sample Technician II	A8
1364	Sample Technician III	A10
1370	Seed Technician I	A8
1372	Seed Technician II	A10
1374	Seed Technician III	A12
1376	Seed Technician IV	A14
1378	Seed Technician V	A16
1727	Human Resources Assistant	A11
1780	Training Assistant	A11
1840	Audio/Visual Technician I	A9
1841	Audio/Visual Technician II	A11
1842	Audio/Visual Technician III	A14
1843	Audio/Visual Technician IV	A16
1912	Inventory Coordinator I	A12
1913	Inventory Coordinator II	A14
1970	Contract Technician I	A9
1972	Contract Technician II	A11
1974	Contract Technician III	A13
2119	Engineering Aide	A6
2121	Engineering Technician I	A8
2122	Engineering Technician II	A10
2123	Engineering Technician III	A12
2124	Engineering Technician IV	A14
2125	Engineering Technician V	A16
2166	Graphic Designer I	A12
2167	Graphic Designer II	A14
2168	Graphic Designer III	A16
2178	Drafting Technician I	A8
2179	Drafting Technician II	A11
2180	Drafting Technician III	A13
2181	Drafting Technician IV	A15
2182	Drafting Technician V	A17
2690	Fish and Wildlife Technician I	A8
2691	Fish and Wildlife Technician II	A10
2692	Fish and Wildlife Technician III	A13
2693	Fish and Wildlife Technician IV	A15
2695	Park Ranger I	A6
2696	Park Ranger II	A8
2697	Park Ranger III	A10
2698	Park Ranger IV	A12
2699	Park Ranger V	A14
2823	Insurance Technician I	A8
2824	Insurance Technician II	A10
3151	Unemployment Insurance Claims Examiner I	A10
3152	Unemployment Insurance Claims Examiner II	A12
3153	Unemployment Insurance Claims Examiner III	A13
3154	Unemployment Insurance Claims Examiner IV	A14

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

3565	Legal Secretary I	A9
3566	Legal Secretary II	A11
3567	Legal Secretary III	A13
3568	Legal Secretary IV	A15
3620	Deputy Clerk I	A9
3622	Deputy Clerk II	A11
3624	Deputy Clerk III	A14
3626	Deputy Clerk IV	A17
4001	Dietetic Technician I	A7
4002	Dietetic Technician II	A9
4140	Laboratory Technician I	A5
4142	Laboratory Technician II	A7
4144	Laboratory Technician III	A9
4146	Laboratory Technician IV	A11
4290	Radiological Technologist Assistant	A3
4291	Radiological Technologist I	A6
4292	Radiological Technologist II	A8
4293	Radiological Technologist III	A11
4294	Radiological Technologist IV	A13
4340	Orthopedic Equipment Assistant	A6
4342	Orthopedic Equipment Technician I	A8
4344	Orthopedic Equipment Technician II	A10
4346	Orthopedic Equipment Technician III	A12
4348	Therapist Technician I	A2
4349	Therapist Technician II	A4
4350	Therapist Technician III	A5
4351	Therapist Technician IV	A7
4352	Therapist Technician V	A9
4360	Registered Therapist Assistant	A11
4372	Medical Aide I	A4
4374	Medical Aide II	A5
4376	Medical Aide III	A7
4385	Medical Technician I	A9
4386	Medical Technician II	A11
4387	Medical Technician III	A13
4428	Respiratory Care Practitioner	A11
4430	Licensed Vocational Nurse I	A9
4432	Licensed Vocational Nurse II	A11
4481	Dental Assistant I	A4
4482	Dental Assistant II	A6
4483	Dental Assistant III	A8
4489	Dental Hygienist	A16
4497	Pharmacy Technician I	A6
4498	Pharmacy Technician II	A8
4499	Pharmacy Technician III	A10
4501	Correctional Officer I	A7
4502	Correctional Officer II	A9
4503	Correctional Officer III	A11
4504	Correctional Officer IV	A12
4505	Correctional Officer V	A14
4520	Juvenile Correctional Officer I	A7
4521	Juvenile Correctional Officer II	A9

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

4522	Juvenile Correctional Officer III	A11
4523	Juvenile Correctional Officer IV	A13
4524	Juvenile Correctional Officer V	A15
4525	Juvenile Correctional Officer VI	A16
4560	Counsel Substitute I	A11
4561	Counsel Substitute II	A13
4562	Counsel Substitute III	A15
4571	Correctional Transportation Officer	A12
4646	Industrial Specialist I	A11
4647	Industrial Specialist II	A12
4648	Industrial Specialist III	A13
4649	Industrial Specialist IV	A14
4650	Industrial Specialist V	A16
4651	Industrial Specialist VI	A18
4671	Agriculture Specialist I	A12
4672	Agriculture Specialist II	A13
4673	Agriculture Specialist III	A14
4674	Agriculture Specialist IV	A15
4675	Agriculture Specialist V	A16
5078	Chaplaincy Services Assistant I	A9
5079	Chaplaincy Services Assistant II	A11
5080	Chaplaincy Services Assistant III	A12
5085	Rehabilitation Technician I	A11
5086	Rehabilitation Technician II	A13
5120	MHMR Services Aide	A4
5121	MHMR Services Assistant I	A6
5122	MHMR Services Assistant II	A7
5123	MHMR Services Assistant III	A8
5124	MHMR Services Supervisor	A10
5140	Recreation Program Specialist I	A9
5142	Recreation Program Specialist II	A11
5144	Recreation Program Specialist III	A13
5146	Recreation Program Specialist IV	A14
5201	Resident Specialist I	A7
5203	Resident Specialist II	A9
5205	Resident Specialist III	A11
5207	Resident Specialist IV	A13
5209	Resident Specialist V	A15
5501	Human Services Technician I	A2
5502	Human Services Technician II	A4
5503	Human Services Technician III	A6
5504	Human Services Technician IV	A7
5505	Human Services Technician V	A9
5550	Child Support Technician I	A9
5551	Child Support Technician II	A11
5552	Child Support Technician III	A13
6090	Communications Center Specialist I	A8
6091	Communications Center Specialist II	A9
6092	Communications Center Specialist III	A10
6095	Police Communications Operator I	A12
6096	Police Communications Operator II	A13
6097	Police Communications Operator III	A14

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

6098	Police Communications Operator IV	A15
6114	Fingerprint Technician I	A10
6115	Fingerprint Technician II	A11
6116	Fingerprint Technician III	A12
6117	Fingerprint Technician IV	A14
6221	Public Safety Records Technician I	A9
6222	Public Safety Records Technician II	A10
6230	Security Officer I	A8
6232	Security Officer II	A10
6234	Security Officer III	A12
6240	Security Worker I	A4
6242	Security Worker II	A5
6244	Security Worker III	A7
6246	Security Worker IV	A9
7350	Library Assistant I	A7
7352	Library Assistant II	A9
7354	Library Assistant III	A11
8001	Custodian I	A2
8003	Custodian II	A3
8005	Custodian III	A5
8007	Custodian IV	A8
8021	Custodial Manager I	A11
8023	Custodial Manager II	A13
8025	Custodial Manager III	A15
8031	Groundskeeper I	A4
8032	Groundskeeper II	A5
8033	Groundskeeper III	A7
8102	Food Service Worker I	A2
8103	Food Service Worker II	A3
8104	Food Service Worker III	A5
8105	Food Service Manager I	A9
8106	Food Service Manager II	A13
8107	Food Service Manager III	A16
8116	Cook I	A3
8117	Cook II	A4
8118	Cook III	A6
8119	Cook IV	A8
8202	Sewing Room Worker	A2
8203	Sewing Room Supervisor	A6
8251	Laundry Worker I	A2
8252	Laundry Worker II	A3
8253	Laundry Worker III	A5
8254	Laundry Worker IV	A6
8260	Laundry Manager I	A9
8261	Laundry Manager II	A11
8262	Laundry Manager III	A14
8263	Laundry Manager IV	A16
8301	Barber/Cosmetologist I	A5
8302	Barber/Cosmetologist II	A6
8400	Canteen Manager I	A10
8401	Canteen Manager II	A13
9004	Maintenance Assistant	A3

DETAILED LISTING OF ALL SCHEDULE A CLASSIFIED POSITIONS
(Continued)

9034	Air Conditioning and Boiler Operator I	A7
9035	Air Conditioning and Boiler Operator II	A9
9036	Air Conditioning and Boiler Operator III	A11
9037	Air Conditioning and Boiler Operator IV	A14
9041	Maintenance Technician I	A6
9042	Maintenance Technician II	A8
9043	Maintenance Technician III	A9
9044	Maintenance Technician IV	A11
9045	Maintenance Technician V	A13
9047	Electrical and Air Conditioning Mechanic I	A11
9048	Electrical and Air Conditioning Mechanic II	A12
9049	Electrical and Air Conditioning Mechanic III	A14
9050	Electrical and Air Conditioning Mechanic IV	A16
9051	Maintenance Supervisor I	A10
9052	Maintenance Supervisor II	A12
9053	Maintenance Supervisor III	A14
9054	Maintenance Supervisor IV	A15
9055	Maintenance Supervisor V	A16
9305	Transportation Maintenance Specialist I	A13
9306	Transportation Maintenance Specialist II	A15
9307	Transportation Maintenance Specialist III	A16
9308	Transportation Maintenance Specialist IV	A17
9309	Transportation Maintenance Specialist V	A18
9321	Vehicle Driver I	A2
9322	Vehicle Driver II	A5
9323	Vehicle Driver III	A7
9324	Vehicle Driver IV	A9
9416	Motor Vehicle Technician I	A8
9417	Motor Vehicle Technician II	A10
9418	Motor Vehicle Technician III	A12
9419	Motor Vehicle Technician IV	A14
9510	Machinist I	A10
9512	Machinist II	A13
9514	Machinist III	A15
9634	Aircraft Mechanic I	A15
9636	Aircraft Mechanic II	A17
9700	Radio Communications Technician I	A9
9702	Radio Communications Technician II	A11
9704	Radio Communications Technician III	A12
9706	Radio Communications Technician IV	A14
9733	Machine Service Technician I	A13
9734	Machine Service Technician II	A16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS

Class Number	**Position Title**	**Salary Group**
0160	Executive Assistant I	B9
0162	Executive Assistant II	B11
0233	ADP Supervisor I	B8

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

0234	ADP Supervisor II	B10
0239	Programmer I	B6
0240	Programmer II	B8
0241	Programmer III	B10
0242	Programmer IV	B12
0243	Programmer V	B14
0244	Programmer VI	B16
0254	Systems Analyst I	B8
0255	Systems Analyst II	B10
0256	Systems Analyst III	B12
0257	Systems Analyst IV	B14
0258	Systems Analyst V	B16
0271	Data Base Administrator I	B8
0272	Data Base Administrator II	B10
0273	Data Base Administrator III	B12
0274	Data Base Administrator IV	B14
0275	Data Base Administrator V	B16
0281	Telecommunications Specialist I	B6
0282	Telecommunications Specialist II	B8
0283	Telecommunications Specialist III	B10
0284	Telecommunications Specialist IV	B12
0285	Telecommunications Specialist V	B14
0287	Network Specialist I	B8
0288	Network Specialist II	B10
0289	Network Specialist III	B12
0290	Network Specialist IV	B14
0291	Network Specialist V	B16
0515	Planning Assistant	B8
0516	Planner I	B9
0517	Planner II	B11
0518	Planner III	B12
0519	Planner IV	B13
0600	Research Specialist I	B7
0602	Research Specialist II	B9
0604	Research Specialist III	B10
0606	Research Specialist IV	B11
0608	Research Specialist V	B13
0620	Statistician I	B1
0622	Statistician II	B4
0624	Statistician III	B7
0626	Statistician IV	B9
0640	Economist I	B8
0642	Economist II	B10
0644	Economist III	B12
0660	Governor's Advisor I	B15
0662	Governor's Advisor II	B18
0664	Governor's Advisor III	B20
0666	Governor's Advisor IV	B21
1010	Accountant I	B3
1012	Accountant II	B5
1014	Accountant III	B8
1016	Accountant IV	B9

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

1018	Accountant V	B11
1020	Accountant VI	B12
1022	Accountant VII	B13
1040	Auditor I	B5
1042	Auditor II	B7
1044	Auditor III	B9
1046	Auditor IV	B11
1048	Auditor V	B13
1050	Auditor VI	B15
1059	Taxpayer Compliance Officer I	B3
1060	Taxpayer Compliance Officer II	B4
1061	Taxpayer Compliance Officer III	B6
1062	Taxpayer Compliance Officer IV	B8
1063	Taxpayer Compliance Officer V	B10
1073	Accounts Examiner I	B3
1074	Accounts Examiner II	B5
1075	Accounts Examiner III	B7
1076	Accounts Examiner IV	B9
1077	Accounts Examiner V	B10
1080	Financial Analyst I	B11
1082	Financial Analyst II	B13
1084	Financial Analyst III	B15
1100	Financial Examiner I	B7
1102	Financial Examiner II	B9
1104	Financial Examiner III	B11
1106	Financial Examiner IV	B13
1108	Financial Examiner V	B15
1110	Financial Examiner VI	B17
1112	Financial Examiner VII	B19
1130	Investment Analyst I	B12
1131	Investment Analyst II	B15
1132	Investment Analyst III	B18
1133	Investment Analyst IV	B20
1140	Manager of External Money Managers I	B15
1142	Manager of External Money Managers II	B17
1144	Manager of External Money Managers III	B19
1150	Portfolio Manager I	B18
1151	Portfolio Manager II	B20
1152	Portfolio Manager III	B21
1153	Portfolio Manager IV	B22
1155	Budget Analyst I	B6
1156	Budget Analyst II	B9
1157	Budget Analyst III	B11
1158	Budget Analyst IV	B13
1160	Trader I	B12
1161	Trader II	B16
1162	Trader III	B19
1175	Chief Trader I	B21
1176	Chief Trader II	B22
1320	Inspector I	B1
1321	Inspector II	B3
1322	Inspector III	B5

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

1323	Inspector IV	B7
1324	Inspector V	B8
1325	Inspector VI	B10
1326	Inspector VII	B12
1350	Investigator I	B4
1351	Investigator II	B6
1352	Investigator III	B8
1353	Investigator IV	B9
1354	Investigator V	B10
1355	Investigator VI	B12
1356	Investigator VII	B13
1550	Staff Services Officer I	B8
1551	Staff Services Officer II	B10
1552	Staff Services Officer III	B11
1553	Staff Services Officer IV	B12
1554	Staff Services Officer V	B13
1563	Program Administrator I	B9
1564	Program Administrator II	B10
1565	Program Administrator III	B11
1566	Program Administrator IV	B12
1567	Program Administrator V	B13
1570	Program Specialist I	B9
1571	Program Specialist II	B10
1572	Program Specialist III	B11
1573	Program Specialist IV	B12
1574	Program Specialist V	B13
1575	Program Specialist VI	B15
1600	Manager I	B13
1601	Manager II	B14
1602	Manager III	B15
1603	Manager IV	B16
1604	Manager V	B17
1620	Director I	B17
1621	Director II	B18
1622	Director III	B19
1623	Director IV	B20
1624	Director V	B21
1630	Deputy Director	B22
1635	Deputy Executive Director, Texas Procurement Commission	B21
1640	Deputy Comptroller	B22
1729	Human Resources Specialist I	B5
1731	Human Resources Specialist II	B7
1733	Human Resources Specialist III	B9
1735	Human Resources Specialist IV	B11
1737	Human Resources Specialist V	B13
1781	Training Specialist I	B5
1782	Training Specialist II	B7
1783	Training Specialist III	B9
1784	Training Specialist IV	B11
1785	Training Specialist V	B13
1821	Marketing Specialist I	B4
1822	Marketing Specialist II	B6

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

1823	Marketing Specialist III	B8
1824	Marketing Specialist IV	B10
1830	Information Specialist I	B6
1831	Information Specialist II	B8
1832	Information Specialist III	B10
1833	Information Specialist IV	B13
1850	Methods and Procedures Specialist I	B6
1851	Methods and Procedures Specialist II	B8
1852	Methods and Procedures Specialist III	B10
1870	Technical Writer I	B7
1871	Technical Writer II	B9
1880	State and Federal Relations Representative I	B15
1881	State and Federal Relations Representative II	B17
1882	State and Federal Relations Representative III	B19
1954	Purchaser I	B4
1955	Purchaser II	B6
1956	Purchaser III	B8
1957	Purchaser IV	B10
1958	Purchaser V	B12
1976	Contract Specialist I	B7
1978	Contract Specialist II	B8
1980	Contract Specialist III	B9
1982	Contract Specialist IV	B10
2040	Survey Specialist	B9
2050	Land Surveyor I	B11
2052	Land Surveyor II	B12
2054	Land Surveyor III	B13
2060	Appraiser I	B5
2061	Appraiser II	B7
2062	Appraiser III	B9
2063	Appraiser IV	B10
2064	Appraiser V	B11
2065	Appraiser VI	B13
2080	Right of Way Agent I	B4
2082	Right of Way Agent II	B6
2084	Right of Way Agent III	B8
2086	Right of Way Agent IV	B10
2091	Utility Specialist I	B9
2092	Utility Specialist II	B11
2093	Utility Specialist III	B12
2094	Utility Specialist IV	B13
2127	Engineering Specialist I	B9
2128	Engineering Specialist II	B10
2129	Engineering Specialist III	B11
2130	Engineering Specialist IV	B12
2131	Engineering Specialist V	B13
2132	Engineering Specialist VI	B14
2135	Engineering Assistant I	B6
2137	Engineering Assistant II	B7
2139	Engineering Assistant III	B8
2150	Engineer I	B11
2151	Engineer II	B12

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

2152	Engineer III	B13
2153	Engineer IV	B14
2154	Engineer V	B15
2155	Engineer VI	B16
2156	Engineer VII	B17
2251	Project Design Assistant I	B6
2253	Project Design Assistant II	B7
2255	Project Design Assistant III	B8
2256	Architect I	B9
2258	Architect II	B10
2260	Architect III	B11
2262	Architect IV	B12
2264	Architect V	B13
2351	Geologist Assistant I	B6
2353	Geologist Assistant II	B7
2355	Geologist Assistant III	B8
2356	Geologist I	B9
2358	Geologist II	B10
2360	Geologist III	B11
2362	Geologist IV	B12
2364	Geologist V	B13
2451	Hydrologist Assistant I	B6
2453	Hydrologist Assistant II	B7
2455	Hydrologist Assistant III	B8
2456	Hydrologist I	B9
2458	Hydrologist II	B10
2460	Hydrologist III	B11
2462	Hydrologist IV	B12
2464	Hydrologist V	B13
2471	Chemist I	B5
2472	Chemist II	B7
2473	Chemist III	B9
2474	Chemist IV	B11
2475	Chemist V	B13
2476	Chemist VI	B15
2580	Sanitarian I	B3
2581	Sanitarian II	B5
2582	Sanitarian III	B7
2583	Sanitarian IV	B9
2584	Sanitarian V	B11
2585	Sanitarian VI	B13
2650	Environmental Specialist I	B5
2651	Environmental Specialist II	B7
2652	Environmental Specialist III	B9
2653	Environmental Specialist IV	B11
2654	Environmental Specialist V	B13
2655	Environmental Specialist VI	B15
2681	Natural Resources Specialist I	B5
2682	Natural Resources Specialist II	B7
2683	Natural Resources Specialist III	B9
2684	Natural Resources Specialist IV	B11
2685	Natural Resources Specialist V	B13

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

2686	Natural Resources Specialist VI	B15
2687	Park Manager I	B6
2688	Park Manager II	B8
2689	Park Manager III	B10
2721	Deputy State Fire Marshal I	B5
2722	Deputy State Fire Marshal II	B7
2723	Deputy State Fire Marshal III	B9
2724	Deputy State Fire Marshal IV	B11
2730	Safety Officer I	B7
2731	Safety Officer II	B9
2732	Safety Officer III	B11
2733	Safety Officer IV	B13
2740	Risk Management Specialist I	B7
2741	Risk Management Specialist II	B9
2742	Risk Management Specialist III	B10
2743	Risk Management Specialist IV	B12
2744	Risk Management Specialist V	B13
2761	Rescue Specialist I	B8
2762	Rescue Specialist II	B9
2763	Rescue Specialist III	B11
2801	Actuary I	B11
2802	Actuary II	B13
2803	Actuary III	B15
2804	Actuary IV	B17
2805	Actuary V	B19
2806	Actuary VI	B21
2808	Chief Actuary	B22
2841	Insurance Specialist I	B4
2842	Insurance Specialist II	B6
2843	Insurance Specialist III	B8
2844	Insurance Specialist IV	B9
2845	Insurance Specialist V	B10
2911	Retirement System Benefits Specialist I	B2
2912	Retirement System Benefits Specialist II	B4
2913	Retirement System Benefits Specialist III	B6
2914	Retirement System Benefits Specialist IV	B8
3020	Employment Specialist I	B2
3021	Employment Specialist II	B3
3022	Employment Specialist III	B4
3023	Employment Specialist IV	B5
3024	Employment Specialist V	B6
3025	Employment Specialist VI	B7
3026	Employment Specialist VII	B8
3141	Labor Market Analyst I	B5
3142	Labor Market Analyst II	B6
3143	Labor Market Analyst III	B7
3144	Labor Market Analyst IV	B8
3171	Unemployment Insurance Specialist I	B7
3172	Unemployment Insurance Specialist II	B8
3173	Unemployment Insurance Specialist III	B9
3195	Unemployment Tax Specialist	B8
3501	Attorney I	B9

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

3502	Attorney II	B11
3503	Attorney III	B13
3504	Attorney IV	B15
3505	Attorney V	B17
3506	Attorney VI	B19
3510	Assistant Attorney General I	B9
3511	Assistant Attorney General II	B11
3512	Assistant Attorney General III	B13
3513	Assistant Attorney General IV	B15
3514	Assistant Attorney General V	B17
3515	Assistant Attorney General VI	B19
3516	Assistant Attorney General VII	B20
3517	First Assistant Attorney General	B22
3520	General Counsel I	B13
3521	General Counsel II	B15
3522	General Counsel III	B17
3523	General Counsel IV	B19
3524	General Counsel V	B20
3559	Hearings Reporter	B12
3561	Appellate Court Peace Officer	B6
3570	Legal Assistant I	B4
3572	Legal Assistant II	B6
3574	Legal Assistant III	B8
3576	Legal Assistant IV	B10
3600	Law Clerk I	B1
3602	Law Clerk II	B2
3604	Law Clerk III	B3
3610	Court Law Clerk I	B9
3611	Court Law Clerk II	B11
3630	Chief Deputy Clerk	B13
3635	Clerk of the Court	B17
3640	Judge I	B15
3642	Judge II	B17
3644	Judge III	B18
3650	Title IV-D Master I	B18
3652	Title IV-D Master II	B20
3660	Ombudsman I	B9
3662	Ombudsman II	B10
3670	Benefit Review Officer I	B10
3672	Benefit Review Officer II	B12
4005	Dietitian I	B3
4006	Dietitian II	B5
4007	Dietitian III	B7
4015	Nutritionist I	B5
4016	Nutritionist II	B7
4017	Nutritionist III	B10
4018	Nutritionist IV	B12
4070	Public Health Technician I	B3
4072	Public Health Technician II	B5
4074	Public Health Technician III	B7
4076	Public Health Technician IV	B9
4082	Epidemiologist I	B11

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

4083	Epidemiologist II	B13
4084	Epidemiologist III	B15
4125	Veterinarian I	B14
4127	Veterinarian II	B16
4219	Microbiologist I	B3
4220	Microbiologist II	B5
4221	Microbiologist III	B7
4222	Microbiologist IV	B9
4223	Microbiologist V	B11
4224	Microbiologist VI	B13
4225	Microbiologist VII	B15
4361	Registered Therapist I	B4
4362	Registered Therapist II	B6
4363	Registered Therapist III	B8
4364	Registered Therapist IV	B10
4365	Registered Therapist V	B11
4366	Registered Therapist VI	B13
4400	Medical Technologist I	B3
4401	Medical Technologist II	B5
4402	Medical Technologist III	B7
4403	Medical Technologist IV	B9
4404	Medical Technologist V	B11
4405	Medical Technologist VI	B13
4433	Physician I	B19
4436	Physician II	B20
4437	Physician III	B21
4438	Physician IV	B22
4442	Nurse I	B6
4444	Nurse II	B8
4446	Nurse III	B10
4448	Nurse IV	B12
4450	Nurse V	B13
4452	Medical Research Specialist I	B15
4453	Medical Research Specialist II	B17
4455	Dentist I	B16
4457	Dentist II	B18
4460	Psychologist I	B12
4462	Psychologist II	B14
4464	Psychologist III	B16
4466	Psychological Assistant	B4
4468	Associate Psychologist I	B8
4469	Associate Psychologist II	B9
4470	Associate Psychologist III	B10
4471	Associate Psychologist IV	B11
4472	Associate Psychologist V	B12
4475	Psychiatrist I	B19
4476	Psychiatrist II	B20
4477	Psychiatrist III	B21
4478	Psychiatrist IV	B22
4491	Pharmacist I	B12
4492	Pharmacist II	B14
4493	Pharmacist III	B16

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

4495	Pharmacologist I	B15
4496	Pharmacologist II	B16
4510	Sergeant of Correctional Officers	B7
4511	Lieutenant of Correctional Officers	B8
4512	Captain of Correctional Officers	B9
4513	Major of Correctional Officers	B10
4540	Parole Officer I	B6
4541	Parole Officer II	B7
4542	Parole Officer III	B8
4543	Parole Officer IV	B10
4544	Parole Officer V	B12
4550	Assistant Warden	B13
4551	Warden I	B15
4552	Warden II	B16
5001	Social Service Worker I	B3
5002	Social Service Worker II	B4
5003	Social Service Worker III	B5
5006	Social Service Supervisor I	B7
5007	Social Service Supervisor II	B8
5023	Protective Services Specialist I	B5
5024	Protective Services Specialist II	B6
5025	Protective Services Specialist III	B7
5026	Protective Services Specialist IV	B8
5027	Protective Services Specialist V	B9
5030	Disability Determination Examiner I	B7
5031	Disability Determination Examiner II	B8
5032	Disability Determination Examiner III	B9
5033	Disability Determination Examiner IV	B10
5046	Disability Case Review Specialist	B3
5062	Vocational Rehabilitation Counselor I	B7
5063	Vocational Rehabilitation Counselor II	B8
5064	Vocational Rehabilitation Counselor III	B9
5081	Chaplain I	B6
5082	Chaplain II	B9
5083	Chaplain III	B11
5090	Rehabilitation Teacher I	B2
5091	Rehabilitation Teacher II	B4
5092	Rehabilitation Teacher III	B6
5095	Coordinator of Rehabilitation	B8
5105	Veterans Assistance Counselor I	B6
5106	Veterans Assistance Counselor II	B7
5107	Veterans Assistance Counselor III	B8
5108	Veterans Assistance Counselor IV	B10
5109	Veterans Assistance Counselor V	B12
5112	Substance Abuse Counselor I	B5
5113	Substance Abuse Counselor II	B6
5130	Qualified Mental Retardation Professional I	B5
5131	Qualified Mental Retardation Professional II	B6
5132	Qualified Mental Retardation Professional III	B7
5133	Qualified Mental Retardation Professional IV	B8
5211	Caseworker I	B1
5212	Caseworker II	B4

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

5213	Caseworker III	B7
5220	Clinical Social Worker I	B3
5221	Clinical Social Worker II	B5
5222	Clinical Social Worker III	B7
5223	Clinical Social Worker IV	B9
5224	Clinical Social Worker V	B10
5226	Case Manager I	B3
5227	Case Manager II	B5
5228	Case Manager III	B7
5229	Case Manager IV	B9
5231	Volunteer Services Coordinator I	B3
5232	Volunteer Services Coordinator II	B5
5233	Volunteer Services Coordinator III	B7
5234	Volunteer Services Coordinator IV	B9
5235	Volunteer Services Coordinator V	B11
5524	Human Services Quality Control Analyst I	B6
5525	Human Services Quality Control Analyst II	B7
5526	Human Services Quality Control Analyst III	B8
5527	Human Services Quality Control Analyst IV	B9
5528	Human Services Quality Control Analyst V	B11
5530	Child Development Specialist I	B1
5531	Child Development Specialist II	B3
5532	Child Development Specialist III	B5
5533	Child Development Specialist IV	B7
5534	Child Development Specialist V	B9
5540	Child Support Officer I	B3
5541	Child Support Officer II	B5
5542	Child Support Officer III	B7
5543	Child Support Officer IV	B9
5612	Interpreter I	B3
5614	Interpreter II	B6
5616	Interpreter III	B8
5618	Interpreter IV	B10
5700	Human Services Specialist I	B3
5701	Human Services Specialist II	B4
5702	Human Services Specialist III	B5
5703	Human Services Specialist IV	B6
5704	Human Services Specialist V	B7
5705	Human Services Specialist VI	B8
5706	Human Services Specialist VII	B9
5720	Human Services Trainee	B2
6051	Criminalist I	B9
6052	Criminalist II	B10
6053	Criminalist III	B11
6054	Criminalist IV	B12
6055	Criminalist V	B13
6056	Criminalist VI	B14
6057	Criminalist VII	B15
6080	Crime Scene Photographer I	B6
6082	Crime Scene Photographer II	B7
6084	Crime Scene Photographer III	B9
6086	Crime Scene Photographer IV	B11

DETAILED LISTING OF ALL SCHEDULE B CLASSIFIED POSITIONS
(Continued)

6121	Latent Print Technician I	B7
6122	Latent Print Technician II	B8
6150	Evidence/CODIS/DNA Technician	B5
6152	Combined DNA Index System Analyst I	B10
6154	Combined DNA Index System Analyst II	B12
6200	Breath Test Electronic Technician	B9
7304	Archeologist I	B5
7306	Archeologist II	B7
7308	Archeologist III	B9
7315	Historian I	B5
7317	Historian II	B7
7319	Historian III	B9
7401	Librarian I	B5
7402	Librarian II	B7
7403	Librarian III	B9
7404	Librarian IV	B11
7405	Archivist I	B5
7407	Archivist II	B7
7409	Archivist III	B9
7460	Exhibit Technician I	B2
7462	Exhibit Technician II	B4
7464	Exhibit Technician III	B6
7466	Museum Curator	B7
9622	Aircraft Pilot I	B9
9624	Aircraft Pilot II	B11
9626	Aircraft Pilot III	B13

DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS

Class Number	**Position Title**	**Salary Group**
9907	Pilot Investigator III	C9
9954	Agent IV	C5
9950	Agent Trainee	C1
9951	Agent I	C2
9952	Agent II	C3
9953	Agent III	C4
9993	Assistant Commander, Game Warden	C10
9975	Internal Affairs Deputy Division Director	C10
9955	Agent V	C6
9961	Lieutenant, Alcoholic Beverage	C8
9943	Assistant Commander, Public Safety	C10
9992	Captain, Game Warden	C9
9933	Corporal IV	C5
9932	Corporal III	C4
9931	Corporal II	C3
9930	Corporal I	C2
9962	Captain, Alcoholic Beverage	C9
9908	Pilot Investigator IV	C10

DETAILED LISTING OF ALL SCHEDULE C CLASSIFIED POSITIONS
(Continued)

9994	Commander, Game Warden	C10
9963	Major, Alcoholic Beverage	C10
9985	Game Warden IV	C5
9984	Game Warden III	C4
9983	Game Warden II	C3
9982	Game Warden I	C2
9986	Game Warden V	C6
9902	Public Safety Inspector II	C9
9901	Public Safety Inspector I	C8
9965	Internal Affairs Investigator Trainee	C1
9966	Internal Affairs Investigator I	C2
9967	Internal Affairs Investigator II	C3
9968	Internal Affairs Investigator III	C4
9969	Internal Affairs Investigator IV	C5
9972	Internal Affairs Regional Supervisor	C7
9973	Internal Affairs Regional Manager	C8
9974	Internal Affairs Multi-Region Administrator	C9
9970	Internal Affairs Investigator V	C6
9991	Lieutenant, Game Warden	C8
9995	Major, Game Warden	C10
9945	Major, Public Safety	C10
9905	Pilot Investigator I	C7
9981	Probationary Game Warden	C1
9990	Sergeant, Game Warden	C7
9906	Pilot Investigator II	C8
9960	Sergeant, Alcoholic Beverage	C7
9920	Trooper Trainee	C1
9922	Probationary Trooper	C1
9926	Trooper IV	C5
9925	Trooper III	C4
9924	Trooper II	C3
9923	Trooper I	C2
9980	Game Warden Trainee	C1
9927	Trooper V	C6
9934	Corporal V	C6
9940	Sergeant, Public Safety	C7
9941	Lieutenant, Public Safety	C8
9942	Captain, Public Safety	C9
9944	Commander, Public Safety	C10

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE

(Reflecting the Salary Increase Described in this Act)
(For Employees Eligible for the Salary Increase
as Described in this Article for the Year Beginning September 1, 2001)

Salary Group	1	2	3	4	5	6	7	8	9	10
A2	15,576	15,936	16,308	16,692	17,064	17,460	17,856	18,276	18,732	--
A3	16,308	16,692	17,064	17,460	17,856	18,276	18,732	19,176	19,644	--
A4	17,064	17,460	17,856	18,276	18,732	19,176	19,644	20,124	20,652	--
A5	17,856	18,276	18,732	19,176	19,644	20,124	20,652	21,240	21,792	--
A6	18,732	19,176	19,644	20,124	20,652	21,240	21,792	22,368	22,944	--
A7	19,644	20,124	20,652	21,240	21,792	22,368	22,944	23,592	24,252	--
A8	20,652	21,240	21,792	22,368	22,944	23,592	24,252	24,948	25,632	--
A9	21,792	22,368	22,944	23,592	24,252	24,948	25,632	26,376	27,132	--
A10	22,944	23,592	24,252	24,948	25,632	26,376	27,132	27,924	28,740	--
A11	24,252	24,948	25,632	26,376	27,132	27,924	28,740	29,580	30,432	--
A12	25,632	26,376	27,132	27,924	28,740	29,580	30,432	31,356	32,316	33,024
A13	27,132	27,924	28,740	29,580	30,432	31,356	32,316	33,312	34,308	34,836
A14	28,740	29,580	30,432	31,356	32,316	33,312	34,308	35,424	36,504	37,548
A15	30,432	31,356	32,316	33,312	34,308	35,424	36,504	37,644	38,832	39,864
A16	32,316	33,312	34,308	35,424	36,504	37,644	38,832	40,056	41,304	42,864
A17	34,308	35,424	36,504	37,644	38,832	40,056	41,304	42,588	43,908	45,780
A18	36,504	37,644	38,832	40,056	41,304	42,588	43,908	45,312	46,728	48,420

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE

(Reflecting the Salary Increase Described in this Act)
(For Employees Eligible for the Salary Increase
as Described in this Article for the Year Beginning September 1, 2002)

Salary Group	1	2	3	4	5	6	7	8	9	
A2	15,576	15,936	16,308	16,692	17,064	17,460	17,856	18,276	18,732	--
A3	16,308	16,692	17,064	17,460	17,856	18,276	18,732	19,176	19,644	--
A4	17,064	17,460	17,856	18,276	18,732	19,176	19,644	20,124	20,652	--
A5	17,856	18,276	18,732	19,176	19,644	20,124	20,652	21,240	21,792	--
A6	18,732	19,176	19,644	20,124	20,652	21,240	21,792	22,368	22,944	--
A7	19,644	20,124	20,652	21,240	21,792	22,368	22,944	23,592	24,252	--
A8	20,652	21,240	21,792	22,368	22,944	23,592	24,252	24,948	25,632	--
A9	21,792	22,368	22,944	23,592	24,252	24,948	25,632	26,376	27,132	--
A10	22,944	23,592	24,252	24,948	25,632	26,376	27,132	27,924	28,740	--
A11	24,252	24,948	25,632	26,376	27,132	27,924	28,740	29,580	30,432	--
A12	25,632	26,376	27,132	27,924	28,740	29,580	30,432	31,356	32,316	33,024
A13	27,132	27,924	28,740	29,580	30,432	31,356	32,316	33,312	34,308	34,836
A14	28,740	29,580	30,432	31,356	32,316	33,312	34,308	35,424	36,504	37,548
A15	30,432	31,356	32,316	33,312	34,308	35,424	36,504	37,644	38,832	39,864
A16	32,316	33,312	34,308	35,424	36,504	37,644	38,832	40,056	41,304	42,864
A17	34,308	35,424	36,504	37,644	38,832	40,056	41,304	42,588	43,908	45,780
A18	36,504	37,644	38,832	40,056	41,304	42,588	43,908	45,312	46,728	48,420

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE
(Not Reflecting the Salary Increase)
(For Employees Not Eligible for the Salary Increase for the Year Beginning September 1, 2001)

Salary Group	1	2	3	4	5	6	7	8	9	
A2	14,376	14,736	15,108	15,492	15,864	16,260	16,656	17,076	17,532	–
A3	15,108	15,492	15,864	16,260	16,656	17,076	17,532	17,976	18,444	–
A4	15,864	16,260	16,656	17,076	17,532	17,976	18,444	18,924	19,452	–
A5	16,656	17,076	17,532	17,976	18,444	18,924	19,452	20,040	20,592	–
A6	17,532	17,976	18,444	18,924	19,452	20,040	20,592	21,168	21,744	–
A7	18,444	18,924	19,452	20,040	20,592	21,168	21,744	22,392	23,052	–
A8	19,452	20,040	20,592	21,168	21,744	22,392	23,052	23,748	24,432	–
A9	20,592	21,168	21,744	22,392	23,052	23,748	24,432	25,176	25,932	–
A10	21,744	22,392	23,052	23,748	24,432	25,176	25,932	26,724	27,540	–
A11	23,052	23,748	24,432	25,176	25,932	26,724	27,540	28,380	29,232	–
A12	24,432	25,176	25,932	26,724	27,540	28,380	29,232	30,144	31,068	31,752
A13	25,932	26,724	27,540	28,380	29,232	30,144	31,068	32,028	32,988	33,492
A14	27,540	28,380	29,232	30,144	31,068	32,028	32,988	34,056	35,100	36,096
A15	29,232	30,144	31,068	32,028	32,988	34,056	35,100	36,192	37,332	38,328
A16	31,068	32,028	32,988	34,056	35,100	36,192	37,332	38,508	39,708	41,208
A17	32,988	34,056	35,100	36,192	37,332	38,508	39,708	40,944	42,216	44,016
A18	35,100	36,192	37,332	38,508	39,708	40,944	42,216	43,560	44,928	46,548

SCHEDULE A
CLASSIFICATION SALARY SCHEDULE
(Not Reflecting the Salary Increase)
(For Employees Not Eligible for the Salary Increase for the Year Beginning September 1, 2002)

Salary Group	1	2	3	4	5	6	7	8	9	
A2	14,376	14,736	15,108	15,492	15,864	16,260	16,656	17,076	17,532	–
A3	15,108	15,492	15,864	16,260	16,656	17,076	17,532	17,976	18,444	–
A4	15,864	16,260	16,656	17,076	17,532	17,976	18,444	18,924	19,452	–
A5	16,656	17,076	17,532	17,976	18,444	18,924	19,452	20,040	20,592	–
A6	17,532	17,976	18,444	18,924	19,452	20,040	20,592	21,168	21,744	–
A7	18,444	18,924	19,452	20,040	20,592	21,168	21,744	22,392	23,052	–
A8	19,452	20,040	20,592	21,168	21,744	22,392	23,052	23,748	24,432	–
A9	20,592	21,168	21,744	22,392	23,052	23,748	24,432	25,176	25,932	–
A10	21,744	22,392	23,052	23,748	24,432	25,176	25,932	26,724	27,540	–
A11	23,052	23,748	24,432	25,176	25,932	26,724	27,540	28,380	29,232	–
A12	24,432	25,176	25,932	26,724	27,540	28,380	29,232	30,144	31,068	31,752
A13	25,932	26,724	27,540	28,380	29,232	30,144	31,068	32,028	32,988	33,492
A14	27,540	28,380	29,232	30,144	31,068	32,028	32,988	34,056	35,100	36,096
A15	29,232	30,144	31,068	32,028	32,988	34,056	35,100	36,192	37,332	38,328
A16	31,068	32,028	32,988	34,056	35,100	36,192	37,332	38,508	39,708	41,208
A17	32,988	34,056	35,100	36,192	37,332	38,508	39,708	40,944	42,216	44,016
A18	35,100	36,192	37,332	38,508	39,708	40,944	42,216	43,560	44,928	46,548

SCHEDULE B CLASSIFICATION SALARY SCHEDULE

(Not Reflecting Salary Increase)

(For Employees Not Eligible for the Salary Increase for the Year Beginning September 1, 2001)

Salary Group	Minimum	Maximum
B1	20,592	27,799
B2	21,744	29,354
B3	23,052	31,120
B4	24,432	32,983
B5	25,932	35,008
B6	27,540	37,179
B7	29,232	39,463
B8	31,068	41,942
B9	32,988	44,534
B10	35,100	50,895
B11	37,332	54,131
B12	39,708	57,577
B13	42,216	61,213
B14	44,928	65,146
B15	47,820	74,121
B16	50,952	78,976
B17	54,264	84,109
B18	57,816	89,615
B19	65,352	101,296
B20	73,920	114,576
B21	93,360	144,708
B22	118,092	183,043

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SCHEDULE B CLASSIFICATION SALARY SCHEDULE

(Reflecting the Salary Increase)

(For Employees Eligible for the Salary Increase
as Described in this Article for the Year Beginning September 1, 2001)

Salary Group	Minimum	Maximum
B1	21,792	29,004
B2	22,944	30,552
B3	24,252	32,364
B4	25,632	34,308
B5	27,132	36,408
B6	28,740	38,664
B7	30,432	41,052
B8	32,316	43,620
B9	34,308	46,320
B10	36,504	52,932
B11	38,832	56,304
B12	41,304	59,880
B13	43,908	63,672
B14	46,728	67,764
B15	49,740	77,100
B16	52,992	82,140
B17	56,436	87,480
B18	60,132	93,204
B19	67,968	105,348
B20	76,884	119,160
B21	97,104	150,504
B22	122,820	190,380

SCHEDULE B CLASSIFICATION SALARY SCHEDULE

(Reflecting the Salary Increase)

(For Employees Eligible for a Salary Increase
as Described in this Article for the Year Beginning September 1, 2002)

Salary Group	Minimum	Maximum
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B4	25,632	34,308
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B15	49,740	77,100
B16	52,992	82,140
B17	56,436	87,480
B18	60,132	93,204
B19	67,968	105,348
B20	76,884	119,160
B21	97,104	150,504
B22	122,820	190,380

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE

(Not Reflecting Salary Increase)

(For Employees Not Eligible for a Salary Increase for the Year Beginning September 1, 2001)

Salary Group	Class Title	Years of Service				
		<4	**≥4**	**≥8**	**≥12**	**≥16**
C1	Trooper Trainee Game Warden Trainee Internal Affairs Investigator Trainee	$29,000				
C1	Probationary Trooper Probationary Game Warden Agent Trainee	$32,000				
C2		$35,000				
C3			$37,400			
C4				$39,800		
C5					$42,200	
C6						$44,600
C7			$43,400	$45,800	$48,200	$50,600
C8			$49,400	$51,800	$54,200	$56,600
C9			$55,400	$57,800	$60,200	$62,600
C10	Public Safety, Assistant Commander Pilot Investigator IV Assistant Commander, Game Warden Alcoholic Beverage, Assistant Commander Internal Affairs, Deputy Division Director (≤12 years of service)*		$66,600	$66,600	$66,600	$66,600
C10	Public Safety, Major/Commander Major/Commander, Game Warden Alcoholic Beverage, Major Internal Affairs, Deputy Division Director (≥12 years of service)		$70,600	$70,600	$70,600	$70,600

*Should read "(<12 years of service)."

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE

(Not Reflecting Salary Increase)

(For Employees Not Eligible for a Salary Increase for the Year Beginning September 1, 2002)

Salary Group	Class Title	Years of Service				
		<4	≥4	≥8	≥12	≥16
C1	Trooper Trainee Game Warden Trainee Internal Affairs Investigator Trainee	$29,000				
C1	Probationary Trooper Probationary Game Warden Agent Trainee	$32,000				
C2		$35,000				
C3			$37,400			
C4				$39,800		
C5					$42,200	
C6						$44,600
C7			$43,400	$45,800	$48,200	$50,600
C8			$49,400	$51,800	$54,200	$56,600
C9			$55,400	$57,800	$60,200	$62,600
C10	Public Safety, Assistant Commander Pilot Investigator IV Assistant Commander, Game Warden Alcoholic Beverage, Assistant Commander Internal Affairs, Deputy Division Director (≤12 years of service)*		$66,600	$66,600	$66,600	$66,600
C10	Public Safety, Major/Commander Major/Commander, Game Warden Alcoholic Beverage, Major Internal Affairs, Deputy Division Director (≥12 years of service)		$70,600	$70,600	$70,600	$70,600

*Should read "(<12 years of service)."

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE
(Reflecting the Salary Increase Described in this Act)

(For Employees Eligible for a Salary Increase for the Year Beginning September 1, 2001)

Salary Group	Class Title	Years of Service <4	≥4	≥8	≥12	≥16
C1	Trooper Trainee Game Warden Trainee Internal Affairs Investigator Trainee	$30,200				
C1	Probationary Trooper Probationary Game Warden Agent Trainee	$33,280				
C2		$36,400				
C3			$38,896			
C4				$41,392		
C5					$43,888	
C6						$46,384
C7			$45,136	$47,632	$50,128	$52,624
C8			$51,376	$53,872	$56,368	$58,864
C9			$57,616	$60,112	$62,608	$65,104
C10	Public Safety, Assistant Commander Pilot Investigator IV Assistant Commander, Game Warden Alcoholic Beverage, Assistant Commander Internal Affairs, Deputy Division Director (≤12 years of service)*		$69,264	$69,264	$69,264	$69,264
C10	Public Safety, Major/Commander Major/Commander, Game Warden Alcoholic Beverage, Major Internal Affairs, Deputy Division Director (≥12 years of service)		$73,424	$73,424	$73,424	$73,424

*Should read "(<12 years of service)."

SCHEDULE C
CLASSIFICATION SALARY SCHEDULE
(Reflecting the Salary Increase Described in this Act)

(For Employees Eligible for a Salary Increase for the Year Beginning September 1, 2002)

Salary Group	Class Title	Years of Service				
		<4	**≥4**	**≥8**	**≥12**	**≥16**
C1	Trooper Trainee Game Warden Trainee Internal Affairs Investigator Trainee	$30,200				
C1	Probationary Trooper Probationary Game Warden Agent Trainee	$33,280				
C2		$36,400				
C3			$38,896			
C4				$41,392		
C5					$43,888	
C6						$46,384
C7			$45,136	$47,632	$50,128	$52,624
C8			$51,376	$53,872	$56,368	$58,864
C9			$57,616	$60,112	$62,608	$65,104
C10	Public Safety, Assistant Commander Pilot Investigator IV Assistant Commander, Game Warden Alcoholic Beverage, Assistant Commander Internal Affairs, Deputy Division Director (≤12 years of service)*		$69,264	$69,264	$69,264	$69,264
C10	Public Safety, Major/Commander Major/Commander, Game Warden Alcoholic Beverage, Major Internal Affairs, Deputy Division Director (≥12 years of service)		$73,424	$73,424	$73,424	$73,424

*Should read "(<12 years of service)."

PART 3. SALARY ADMINISTRATION AND OTHER EMPLOYMENT PROVISIONS

Sec. 3.01. **Salary Rates.**

(a) For each fiscal year of the biennium beginning September 1, 2001, annual salary rates for classified positions are as provided by the Classification Salary Schedules of § 2.01.

(b) In addition to the limits under this Article, the State Classification Office shall review new exempt positions created during the interim and provide recommendations on the appropriate class title and salary group for these positions to the Legislature during the appropriations process.

(c) For the fiscal year beginning September 1, 2002, the salary of a classified employee shall be converted to the applicable salary schedule for fiscal year 2003 in this Act at the same salary rate in the same salary group in which paid in August 2002.

(d) There is no authority to grant salary increases as part of the conversion of employees to Salary Schedules A, B, and C, except in the cases of:

(1) across-the-board salary increases authorized in this Act; or

(2) employees whose positions are reallocated or reclassified in accordance with § § 654.0155, 654.0156, or 659.254, Government Code.

(e) Notwithstanding other provisions in this Act, agencies are authorized to pay salaries that are below or in excess of the designated salary ranges in § 2.01 as a result of the fiscal year 2002 conversion of employees to appropriate salary groups in Salary Schedules A and B. An employee hired by the State on or after September 1, 2001, including interagency transfers, must be paid at a salary rate that falls within the salary range of the applicable salary group.

(f) Notwithstanding other provisions in this Act, the Department of Public Safety of the State of Texas may pay its employees classified as Corporal I, II, III, IV, or V, Traffic Law Enforcement, at rates that exceed the maximum rates designated in Salary Schedule C by up to $600 per fiscal year.

(g) Employees within the Principals, Teachers, Supervisors, and Coaches title at the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, and Texas Youth Commission are not subject to the salary administration provisions in Part 3 of this Article.

Sec. 3.02. **Salary Supplementation.** Funds appropriated by this Act to a state agency or to an institution of higher education may not be expended for payment of salary to a person whose classified or exempt salary is being supplemented from other than appropriated funds until a report showing the amount and sources of salary being paid from other sources has been reported to the Secretary of State and Comptroller.

Sec. 3.03. **Classified Salary Rates.** An agency subject to Part 2 or Part 3 of this Article shall make employments of personnel as provided by the Position Classification Plan.

Sec. 3.04. **Salary Limits.** For the biennium beginning September 1, 2001, the rate for determining the expenditure limitations for merit salary increases and promotions under § 659.261, Government Code, is not limited by this Act as a percentage of the total amount spent by the agency in the preceding fiscal year for classified salaries.

Sec. 3.05. **Scheduled Exempt Positions.**

(a) Except for the positions listed under Subsections (b)(3) or (b)(4), a position listed following an agency's appropriation in the agency's "Schedule of Exempt Positions" shall receive compensation at a rate not to exceed the amount indicated in that agency's "Schedule of Exempt Positions."

(b) (1) Except as provided by Subsection (b)(3) notwithstanding the rate listed in an agency's "Schedule of Exempt Positions," a position listed in Subsection (b)(4) may receive compensation at a rate set by the Governor in an amount not to exceed the "Maximum Salary" but not less than the "Minimum Salary" for the appropriate group as listed in Subsection (b)(2).

(2) Except as provided by Subsection (b)(3) an exempt position listed in Subsection (b)(4) for which the term "Group," followed by an Arabic numeral, is indicated, may receive compensation at a rate within the range indicated below for the respective salary group indicated.

Scheduled Exempt Position Salary Rates

Group	Minimum Salary	Maximum Salary
1	$ 45,816	$ 70,788
2	54,228	83,784
3	64,200	99,192
4	76,068	117,516
5	90,060	139,140
6	106,692	164,748

(3) Notwithstanding other provisions of this bill setting maximum salaries for exempt positions, the Governor may set the rate of compensation for the Commissioner of Health and Human Services at an amount not to exceed $189,000.

(4)

	Agency	Position	Salary Group
(A)	Fire Fighters' Pension Commissioner:	Commissioner	Group 1;
(B)	Secretary of State:	Secretary of State	Group 4;
(C)	Office of State-Federal Relations:	Executive Director	Group 3;
(D)	Health and Human Services Commission:	Commissioner	Group 6;
(E)	Texas Education Agency:	Commissioner of Education	Group 6;
(F)	Adjutant General Department:	Adjutant General	Group 3;
(G)	Criminal Justice Policy Council:	Executive Director	Group 3;
(H)	Texas Department of Criminal Justice:	Chairman, Board of Pardons and Paroles	Group 3;
(I)	Texas Department of Criminal Justice:	Parole Board Members (17)	Group 3;
(J)	Texas Natural Resource Conservation Commission:	Commissioners (3)	Group 5;
(K)	Texas Department of Economic Development:	Executive Director	Group 4;
(L)	Texas Department of Housing and Community Affairs:	Executive Director	Group 4;

(M)	Texas Workforce Commission:	Commissioners (3)	Group 4;
(N)	State Office of Administrative Hearings:	Chief Administrative Law Judge	Group 3;
(O)	Texas Department of Insurance:	Commissioner of Insurance	Group 6;
(P)	Office of Public Insurance Counsel:	Public Counsel	Group 2 ;
(Q)	Public Utility Commission of Texas: and	Commissioners (3)	Group 4;
(R)	Office of Public Utility Counsel:	Public Counsel	Group 2.

(c) In addition to all other requirements, any salary increase from appropriated funds, within the limits provided by this Section must be:

(1) in writing;

(2) signed by the presiding officer of the governing board;

(3) submitted to the Governor, the Legislative Budget Board and the Comptroller; and

(4) approved by the governing board in a public meeting.

(d) (1) Each title listed in a "Schedule of Exempt Positions" following an agency's appropriation authorizes one position for the agency unless the title is followed by an Arabic numeral indicating the number of positions authorized or unless the title is followed by "(UL)" which authorizes an unlimited number of positions for such position title.

(2) The number of authorized positions for a title listed in a "Schedule of Exempt Positions" may be exceeded only:

(A) for the purpose of hiring a replacement in a key management position as certified by the chief administrator of the agency;

(B) if the current incumbent of the position has formally resigned or otherwise announced irrevocable plans to vacate the position;

(C) for a period of time not to exceed the equivalent of one month's salary per fiscal year per terminating incumbent (excluding time spent on the payroll for the purpose of exhausting accrued annual leave or state compensatory time); and

(D) if exceptions are reported as prescribed for payroll reporting procedures.

Sec. 3.06. **Evening, Night, Weekend Shift Pay: Registered Nurses and Licensed Vocational Nurses.** A state agency may pay an additional evening shift or night shift differential not to exceed 15 percent of the monthly pay rate to registered nurses or licensed vocational nurses who work the 3:00 p.m. to 11:00 p.m. shift, or its equivalent, or who work the 11:00 p.m. to 7:00 a.m. shift, or its equivalent. An additional weekend shift salary differential not to exceed five percent of the monthly pay rate may be paid to registered nurses and licensed vocational nurses. The weekend shift salary differential may be paid to an eligible individual in addition to the evening shift or night shift salary differential.

Sec. 3.07. **Retention Bonuses.**

(a) To enhance the retention of classified employees necessary for the operations of a state agency or institution of higher education, a state agency or institution of higher education may pay a bonus of up to $3,000 to an individual employed in a classified position deemed as necessary to the operations of the state agency or institution of higher education by the chief administrator of the state agency or institution of higher education. The employee must remain with that agency or institution in a classified position for 12 months after the date of execution of a bonus contract.

(b) An agency may execute a bonus contract with a classified employee only after the employee has completed 12 months of employment in a classified position.

(c) The lump sum bonus amount may be included in the classified employee's paycheck the month after the end of the 12-month bonus period.

(d) Bonuses paid as provided by this section are specifically exempted from the salary limits of Section 3.04 and Chapter 659, Government Code.

(e) Before a contract may be made as provided by this section, the need to retain the necessary classified employee must be adequately documented by letter from the chief administrator of the state agency or institution of higher education to the Comptroller.

(f) The Comptroller shall interpret this Section to enhance the retention of classified employees.

Sec. 3.08. **Director and Manager Series.** It is the intent of the Legislature that the Program Administrator or Manager series in the Detailed Listing of All Schedule B Classified Positions may be used to classify higher level positions that administer and manage chaplaincy services.

Sec. 3.09. **County Extension Agent Salary Increase.** In addition to the funds appropriated in Rider Number 6 of the Texas Agricultural Extension Service, $138,422 in fiscal year 2003 is appropriated and shall be used to supplement the funds in Rider Number 6 to pay the General Revenue portion of a five percent salary increase for County Extension Agents for each year of the biennium.

PART 4. EMPLOYMENT POLICIES AND PROVISIONS

Sec. 4.01. **Method of Salary Payments.** All annual salaries appropriated by this Act are for full-time employment unless specifically designated as part-time. This section may not be construed to prevent the chief administrator of an agency from paying less than the maximum salary rate specified in this Act for a position, or the employment of a part-time employee to fill a regular position provided for in this Act, so long as the salary rate for such part-time employee is proportional to the regular rate for full-time employment.

Sec. 4.02. **Exception - Contracts Less Than 12 Months.** Facilities of the Texas Youth Commission in Article V or institutions of higher education or the schools for the blind or deaf in Article III of this Act that make contracts for less than a twelve-month period may pay salaries in equal monthly payments for the period of the contract.

Sec. 4.03. **Matching Retirement and Certain Insurance.** In each instance in which an operating fund or account is created and named by statute, the responsible officials of the state may

transfer into the operating fund or account sufficient moneys from treasury funds, local, institutional, or federal funds to pay proportionally the costs of matching state employees' retirement contributions and the state's share of Old Age and Survivors Insurance.

Sec. 4.04. **Per Diem of Board or Commission Members.**

(a) As authorized by § 659.032, Government Code, the per diem of state board and commission members consists of:

(1) compensatory per diem, if specifically authorized by law, at $30 per day;

(2) reimbursement of actual expenses for meals and lodging not to exceed $110 per day when traveling within this state and reimbursement of actual expenses for meals and lodging when traveling outside of this state in an amount not to exceed the rates specified for a state employee under this Act; and

(3) reimbursement of transportation and incidental expenses at the rates specified in this Act for state employees.

(b) If a law enacted after former Article 6813f, V.T.C.S., (September 1, 1983), authorizes per diem for members of a particular state board or commission, but does not specify the amount of the per diem, then the amount of the per diem is the amount provided by Subsection (a).

(c) The funds appropriated by this Act may not be expended to reimburse members of a state agency advisory committee for expenses associated with conducting committee business, including travel expenses, unless the expenditures for an advisory committee are:

(1) specifically authorized by this Act; or

(2) approved by the Governor and the Legislative Budget Board subsequent to the effective date of this Act.

(3) For the purpose of this subsection, the term “advisory committee” has the meaning assigned by § 2110.001, Government Code.

(4) This subsection does not apply to an advisory committee established by the governing board of a retirement system trust fund.

(5) This subsection applies only to an advisory committee that is subject to Chapter 2110, Government Code.

(d) An agency that has a “Schedule of Exempt Positions and Per Diem of Board (or Commission) Members” following the agency’s appropriations may expend appropriations for board or commission member compensatory per diem in an amount not to exceed the amount specified in the schedule for each respective fiscal year.

(e) A full time employee paid from funds appropriated by this Act may not be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

Sec. 4.05. **Political Aid and Legislative Influence Prohibited.** The funds appropriated by this Act, regardless of source or character, may not be expended except in compliance with Chapter 556, Government Code.

Sec. 4.06. **Limitations on Use of Appropriated Funds.** Funds appropriated by this Act, other than those appropriated to an institution of higher education, may be expended only for items set out in the expenditure classifications of the Comptroller's Manual of Accounts insofar that an agency expending the appropriated funds has existing statutory authority for making the expenditures and the expenditures are not otherwise limited or prohibited in this Act.

Sec. 4.07. **Contract Workforce.**

(a) In this section, contract workers are defined as independent contractors, temporary workers supplied by staffing companies, contract company workers, and consultants.

(b) No appropriated funds may be expended for payment of a contract workforce in which the contract is executed, amended, or renewed on or after September 1, 2001, until an agency or institution:

(1) develops comprehensive policies and procedures for its contract workforce;

(2) examines the legal and personnel issues related to the use of a contract workforce;

(3) conducts a cost benefit analysis of its current contract workforce prior to hiring additional contract workers or amending or renewing existing contracts; and

(4) documents why and how the use of contract workers fit into agency staffing strategies, including consideration of agency mission, goals and objectives, existing and future employee skills needed, compensation costs, productivity, nature of services to be provided, and workload.

Agencies shall consult the *Best Practices and Guidelines for Effectively Using a Contract Workforce* (SAO Report No. 99-326) when planning for and implementing the requirements of this section.

(c) No later than December 1 of each year of the biennium, an agency shall file with the Legislative Budget Board, the Governor’s Office, and the State Auditor a report on the agency’s use of a contract workforce in the preceding fiscal year. The report shall be prepared according to a format prescribed by the State Auditor and shall include:

(1) a description of how the agency has complied with provisions of this rider; and

(2) an evaluation of the work performed by a contract workforce, including an assessment of whether work was completed on time, within budget, and according to contract specifications.

(d) The State Auditor shall notify the Comptroller and the Legislative Audit Committee if an agency fails to comply with this section.

(e) The State Auditor may require an agency to provide interim reports or additional information as necessary to ensure compliance with this section. The State Auditor shall review each agency’s report and follow up based on identified risks.

PART 5. TRAVEL REGULATIONS

Sec. 5.01. **Travel Definitions.**

The definitions established by § 660.002, Government Code, apply to Part 5 of this Article, unless another meaning is clearly provided. In Part 5 of this Article:

(1) "Council of governments" includes:

(A) a council of governments created under Chapter 391, Local Government Code;

(B) a regional planning commission created under Chapter 391, Local Government Code; or

(C) a regional planning agency created under Chapter 391, Local Government Code.

(2) "State agency" includes the entities within the definition of § 660.002(19) Government Code, and also includes a council of governments, a local workforce development board, or a MHMR community center, that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees.

Sec. 5.02. **General Travel Provisions.** The funds appropriated by this Act to a state agency for the payment of transportation, meals, lodging, or incidental expenses is the maximum amount that may be expended by the agency. The funds appropriated by this Act may not be expended for those expenses unless the travel and the resulting requests for payment or reimbursement comply with the conditions and limitations in this Act, Chapter 660, Government Code, and the Comptroller's Rules.

Sec. 5.03. **Failure to Comply.**

(a) If the State Auditor determines that the travel for which payment was made out of appropriated funds is not in compliance with Chapter 660, Government Code, the State Auditor shall so certify to the Comptroller. The Comptroller shall reduce the appropriation of the state agency that paid the travel expenses by an amount equal to the entire amount paid by the state agency for that individual for that travel occurrence.

(b) The Comptroller shall prepare an annual report indicating the appropriation reductions, by state agency, made pursuant to this section for the previous fiscal year. The Comptroller shall submit the report to the Legislative Budget Board not later than December 1.

Sec. 5.04. **Transportation Expenses.** For a state employee's use of a personally owned or leased motor vehicle, the mileage reimbursement rate, for travel occurring during a fiscal year, equals the maximum fixed mileage allowance specified in the revenue rulings issued by the Internal Revenue Service under the federal income tax regulations as of August 1 preceding the start of the fiscal year. The mileage reimbursement rate may not be less than 25 cents per mile or more than 35 cents per mile. The Comptroller shall announce the mileage reimbursement rate for a fiscal year as soon as possible after August 1 of the preceding year.

Sec. 5.05. **Transportation in Personally Owned or Leased Aircraft.**

(a) The rate of reimbursement to be paid to a key official, member of a board, commission, or a member of the Legislature for travel in the person's personally owned or leased aircraft, either within or without the boundaries of this state, is:

(1) 40 cents per highway mile when traveling in single-engine aircraft;

(2) 55 cents per highway mile when traveling in twin-engine aircraft; and

(3) one dollar per highway mile when traveling in turbine-powered or other aircraft.

(b) The rate of reimbursement for a state employee when the employee travels in the employee's personally owned or leased aircraft, either within or without the boundaries of this state, is:

(1) 40 cents per highway mile when traveling in single-engine aircraft; or

(2) 55 cents per highway mile when traveling in twin-engine, turbine-powered, or other aircraft.

Sec. 5.06. **Travel Meals and Lodging Expenses.**

(a) A state employee who travels within this state shall be reimbursed for the actual cost of lodging and meals. However, the reimbursements may not exceed $80 per day per location for lodging and $30 per day for meals.

(b) At the discretion of each chief administrator of a state agency, a state employee whose duties require the employee to travel outside the employee's designated headquarters without an overnight stay away from the employee's headquarters may be reimbursed for the actual cost of the employee's meals not to exceed $25 per day.

(c) A state employee who travels outside of this state but within the continental United States shall be reimbursed for the employee's actual expenses for lodging and meals. However, the reimbursement may not exceed the maximum out-of-state meals and lodging rates, based on the federal travel regulations, issued by the Comptroller unless the Comptroller determines, in advance of travel, that local conditions necessitate a change in the lodging rate for a particular location. If an employee travels to a location where an allowance has not been set by the Comptroller, the Comptroller shall establish a rate for that location.

(d) A state employee may receive reimbursements for the employee's actual expenses for meals and lodging when traveling outside the continental United States.

Sec. 5.07. **Special Provisions Regarding Travel Expenses.** Reimbursement for meals and lodging as authorized by Subchapter H, Chapter 660, Government Code, on an "actual expenses" or "actual amount of" basis may not exceed twice the maximum rates specified in § 5.06 of this Article.

Sec. 5.08. **Aircraft.**

(a) Notwithstanding any other provision of this Act, the purchase of aircraft may not be made from appropriated funds except as authorized in this section.

(b) Agencies authorized to expend appropriated funds for the maintenance and operation of state-owned aircraft or replacements authorized by Subsection (d) are:

(1) Texas A&M University System;
(2) Texas Department of Criminal Justice;
(3) Texas Department of Transportation;

(4) Parks and Wildlife Department;
(5) Department of Public Safety of the State of Texas;
(6) University of Texas System;
(7) Texas State Technical College;
(8) Texas Forest Service; and
(9) State Aircraft Pooling Board.

(c) Notwithstanding any other provision of this Act, all state-owned aircraft (including aircraft forfeited to or seized by a particular agency) are subject to the authority of the State Aircraft Pooling Board under Chapter 2205, Government Code.

(d) Expenditure of appropriated funds for replacement of aircraft with aircraft of comparable quality may be made contingent upon approval of the State Aircraft Pooling Board and a finding of fact by the Governor that a report has been filed with the Governor showing that:

(1) the aircraft to be replaced has been destroyed or has deteriorated to an extent that continued operation presents a serious hazard or that the aircraft to be replaced can no longer meet the mission requirements of the principal user state agency; and

(2) other state-owned aircraft cannot be effectively utilized in lieu of a replacement aircraft.

(e) Expenditures necessary to purchase liability insurance pursuant to § 2205.045(a), Government Code, shall be made on a pro rata basis, as determined by the State Aircraft Pooling Board, from appropriations authorized to each agency operating a state-owned aircraft. The Comptroller shall transfer such necessary amounts from agencies operating aircraft to the State Aircraft Pooling Board for the purchase of liability insurance and expenditure of such funds by the Board is hereby authorized.

(f) Any reimbursements received by a state agency for authorized aircraft services rendered to another state agency are hereby appropriated to the agency receiving the reimbursements, and shall be credited to the agency's appropriation item from which the cost of aircraft operation is paid.

Sec. 5.09. **Limitation on Travel Expenditures.**

(a) In this section ‘travel’ refers only to travel outside the state of Texas.

(b) (1) None of the funds appropriated by this Act may be expended, without the prior approval of the Legislative Budget Board, for travel purposes if such expenditure would cause the agency’s or institution’s travel expenditures for that fiscal year to exceed an amount equal to 100 percent of that agency’s or institution’s fiscal year 2000 amount of travel expenditures including any excess travel expenditure amounts approved by waiver.

(2) The general limitations provided by this subsection apply in addition to the limits of any additional agency specific limitation.

(3) In the event that a state agency or institution had, as determined by the Comptroller, no expenditures for travel outside the state of Texas during fiscal year 2000, the general limitations provided by subsection (b)(1) shall not apply, but out-of-state travel spending may not exceed in either year of the biennium the amount spent for that purpose in the last state fiscal year in which out-of-state travel occurred.

(c) The Legislative Budget Board may consider requests from agencies which demonstrate circumstances which would make such reductions in actual travel impractical or inefficient in accomplishing the goals and strategies contained in their appropriations pattern. Such circumstances may include: new or expanded programs, law enforcement, tax collection activities, statutorily mandated travel, or other pressing public purposes.

(d) The Comptroller shall prescribe accounting procedures and reporting requirements to administer this section and to ensure that expenditures for travel by all state agencies and institutions of higher education are properly reported and monitored.

(e) (1) Upon notification by the Comptroller that a state agency or institution of higher education has exceeded the travel cap limit as specified in Subsection (b) of this Section for two consecutive fiscal years without the written approval of the Legislative Budget Board, the state agency or institution of higher education may not pay or reimburse with funds appropriated by this Act, a travel expense for travel to conventions, conferences, or seminars except as provided by this Subsection (e).

(2) The Comptroller may allow a state agency or institution of higher education to reimburse or pay a travel expense incurred by an employee on or after the date the agency or institution receives notice of its exceeding the limits if:

(A) the expense is incurred while the employee is returning to the employee's designated headquarters;

(B) the reimbursement or payment is necessary to prevent unreasonable hardship to the employee; or

(C) the expense is incurred while the employee is completing official state business that the agency or institution deems critical to fulfillment of the agency's or institution's constitutional or statutory duties.

(3) The Comptroller shall notify the Legislative Budget Board if the Comptroller allows such a payment or reimbursement. The notification must include the reason that the payment or reimbursement is allowed. The Legislative Budget Board may then direct the Comptroller to reduce the agency's or institution's appropriation by the amount of the payment or reimbursement if in the Legislative Budget Board's opinion the payment was the result of an agency failing to comply with the notification by the Comptroller.

(f) All documents filed by an appointed officer under this section are public information. In this section, the term "public information" has the meaning provided by Chapter 552, Government Code.

(g) In this section "appointed officer" includes all persons included under the definition provided by Chapter 572, Government Code, except that for the purposes of the definition of "appointed officer," the term "state agency" also includes a council of governments, a Local

Workforce Development Board, or a Mental Health Mental Retardation community center that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees or officials. For the purpose of this provision, the term "council of governments" shall include a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code.

(h) An appointed officer may not receive reimbursement from funds appropriated by this Act for expenses related to travel before filing with the Texas Ethics Commission copies of all documents that will be submitted to the Comptroller and Legislative Budget Board in support of the travel expense claim.

(i) Funds appropriated by this Act may not be used to pay expenses for a trip to foreign countries, except for Canada or Mexico, unless the board or commission of each state agency and institution of higher education has approved the travel before departure. A copy of the approval must be attached to each travel voucher submitted to the Comptroller. By October 1 of each year, each agency and institution of higher education must submit a report on all foreign travel with required approvals to the Governor's Office of Budget and Planning and the Legislative Budget Board.

(j) In implementing this rider, state agencies shall review their travel policies in order to ensure that travel which is critical to the delivery of services consistent with the mission of the agency is not affected.

PART 6. GENERAL LIMITATIONS ON EXPENDITURES

Sec. 6.01. **Definitions.**

In this Act:

(a) "Earned federal funds" means all moneys received in connection with each entitlement period of a federally funded contract, grant, or program, excluding reimbursements under § 8.02(c), which are not required by the governing agreement to be disbursed thereon. Typically, earned federal funds arise from recoveries of costs previously paid from a nonfederal fund source, indirect cost allocations, interest earned on federal funds, and minor sources such as the sale of fixed assets purchased with federal funds. Except for state agencies of higher education and their affiliated agencies, the expenditure of funds received or earned by a state agency is limited to the appropriation authority granted to the agency. Any such excess funds remaining at the end of the 2000-01 biennium for an agency shall be returned to the General Revenue Fund. A state agency or institution participating in federally funded or other programs, where indirect cost reimbursements are an allowable part of charges to the program, shall establish procedures to maximize the recovery of such costs.

(b) "Unexpended balance" or the abbreviation "U.B." means the unobligated balance remaining in an appropriation, i.e., only that part of an appropriation, if any, that has not been set apart by the incurring of an obligation, commitment, or indebtedness by the state agency authorized to spend the appropriation. A reference in this Act to "unexpended balance" or "U.B." is a reference to the unobligated balance of an amount appropriated by this Act for the fiscal year ending August 31, 2002, unless another meaning is clearly indicated.

Sec. 6.02. **Interpretation of Estimates.** In the event the amounts of federal funds, local funds, or funds other than appropriations from the General Revenue Fund, have been estimated in this Act in sums greater than are actually received by the respective agencies of the state, this Act may not be construed as appropriating additional funds from General Revenue to make up such differences. Wherever the language of this Act appropriates all receipts or balances from a specified source but uses an estimated amount to inform the Legislature and the public, the estimated figure is not to be construed as a limitation on the amount appropriated.

Sec. 6.03. **Emergency and Deficiency Grants Out of Special Funds.** For the purposes of § § 401.061 and 403.075, Government Code, appropriations to the Office of the Governor from "special funds" include excess revenues from General Revenue Fund-Dedicated accounts that were previously special funds above those estimated by the Comptroller in certifying this Act.

Sec. 6.04. **Excess Obligations Prohibited.**

(a) An agency specified in this Act may not incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named.

(b) As a specific exception to Subsection (a) the General Services Commission may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request.

(c) A determination made by the General Services Commission under Subsection (b) may be made for obligations incurred for the purchase or lease of automated information system equipment only if the agency has on file with the Legislative Budget Board a Biennial Operating Plan, including any amendments to the Biennial Operating Plan, and the plan has been approved by the Legislative Budget Board.

(d) If this section is violated, the State Auditor shall certify the fact of the violation and the amount of over-obligation to the Comptroller, and the Comptroller shall deduct an amount equivalent to the over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation.

(e) This provision is specified pursuant to § 10, Article XVI, Texas Constitution.

Sec. 6.05. **Interpretation of Legislative Intent.** Funds appropriated by this Act shall be expended, as nearly as practicable, for the purposes for which appropriated. In the event an agency cannot determine legislative purpose from the pattern of appropriations, the agency shall seek to determine that purpose from the proceedings of the legislative committees responsible for proposing appropriations for this state.

Sec. 6.06. **Comptroller's Duty to Pay.** The Comptroller may not refuse to pass for payment a legal claim, factually justified, for which a valid appropriation has been made.

Sec. 6.07. **Last Quarter Expenditures.**

(a) A state agency or other governmental unit using funds appropriated by this Act may not expend during the last quarter of a fiscal year more than one-third of the funds appropriated for that fiscal year.

(b) Specifically exempted from Subsection (a) are:

(1) expenditures contracted for in previous quarters;

(2) funds required by statute, rule or regulation to be expended on a different time frame;

(3) seasonal employment of personnel;

(4) construction contracts;

(5) contracts dealing with purchases of food, medicines, or drugs;

(6) expenditures related to the Children with Special Health Care Needs (formerly known as "CIDC") program operated by the Texas Department of Health; and

(7) expenditures occasioned by disaster or other Act of God.

(c) The funds exempted, under Subsection (b) may not be considered in the computation of the total funds appropriated in a fiscal year for the purpose of applying Subsection (a).

Sec. 6.08. **Appropriation Transfers.**

(a) Subject to any specific restriction in another provision of this Act, an appropriation contained in this Act may be transferred from one appropriation item to another appropriation item in an amount not to exceed 25 percent of the appropriation item from which the transfer is made for the fiscal year, at the discretion of the chief administrative officer of the state agency or institution.

(b) As a specific exception to Subsection (a), funds appropriated for capital budget items are subject to restrictions contained elsewhere in this Act.

(c) Funds appropriated by this Act in items of appropriation that are part of a Goal for "Indirect Administrative and Support Costs" or "Indirect Administration" may also be transferred from one appropriation item to another appropriation item within that same Goal without limitation as to the amount of such a transfer.

(d) Appropriations made by this Act to each state agency or institution of higher education are not subject to transfer between agencies or institutions except under the provisions of interagency contract, budget execution statutes, or specific rider or statutory authorization.

Sec. 6.09. **Transfers for Contract Services.** Funds appropriated in the various Articles of this Act for "Employees Retirement System," "Social Security State Match," and "Benefit Replacement Pay" may be transferred between Articles for similar appropriation items for the purpose of paying employee benefits costs incurred by higher education institutions when those institutions have contracted to provide services to state agencies.

Sec. 6.10. **Employee Benefit and Debt Service Items.**

(a) Funds appropriated in the various Articles of this Act for "Employees Retirement System," "Social Security State Match," "Benefit Replacement Pay," "Texas Public Finance Authority-G.O. Bond Debt Service Payments," and "Lease-Payments to the Texas Public Finance Authority" may be transferred between Articles to a like appropriation item without limitation as to the amount of such transfer.

(b) An agency to which an appropriation listed under Subsection (a) is made may pool such appropriations, made in the various Articles for a common purpose, into a single cost pool for the purpose of administering the appropriation.

Sec. 6.11. **Salaries to Be Proportional by Fund.**

(a) Unless otherwise provided, payment for salaries, wages, and benefits paid from appropriated funds, including "local funds" and "education and general funds" as defined in § 51.009 (a) and (c), Education Code, shall be proportional to the source of funds.

(b) Unless otherwise specifically authorized by this Act, the funds appropriated by this Act out of the General Revenue Fund may not be expended for employee benefit costs, or other indirect costs, associated with the payment of salaries or wages, if the salaries or wages are paid from a source other than the General Revenue Fund. Payments for employee benefit costs for salaries and wages paid from sources, including payments received pursuant to interagency agreements or as contract receipts, other than the General Revenue Fund shall be made in proportion to the source of funds from which the respective salary or wage is paid or, if the Comptroller determines that achieving proportionality at the time the payment is made would be impractical or inefficient, then the General Revenue Fund shall be reimbursed for any such payment made out of the General Revenue Fund.

(c) The Comptroller shall develop rules to provide for the administration of this section.

(d) Each agency or institution of higher education having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a schedule demonstrating proportionality. The schedule shall be filed before November 20th following the close of the fiscal year for the salaries, wages, and benefits of the preceding year ended August 31. The schedule shall be in a format prescribed by the Comptroller. The State Auditor shall review (in the State Auditor's audit of respective agencies) the agencies' compliance with this section. The Comptroller, on receipt of notification from the State Auditor of amounts disproportionally paid from General Revenue Fund appropriations, shall reduce current year General Revenue Fund appropriations of the agency or institution until such time as such amounts are repaid from sources other than the General Revenue Fund.

Sec. 6.12. **Appropriations from Special Funds.** Notwithstanding other provisions of this Act, appropriation amounts from special funds or special accounts in the General Revenue Fund are specifically limited to amounts not to exceed the actual balances and revenues available to each such fund or account.

Sec. 6.13. **Limitation on Grants to Units of Local Government.**

(a) The funds appropriated by this Act may not be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the funds received under the grant or contract will be expended subject to limitations and reporting requirements similar to those provided by:

(1) Parts 2 and 3 of this Article (except there is no requirement for increased salaries for local government employees);

(2) § § 556.004, 556.0055, and 556.0056, Government Code;

(3) § § 2113.012 and 2113.101, Government Code;

(4) § 6.31 of this Article (Performance Rewards and Penalties);

(5) § 7.01 of this Article (Budgeting and Reporting);

(6) § 7.02 of this Article (Annual Reports and Inventories); and

(7) § 2102.0091, Government Code.

(b) In this section, "unit of local government" means:

(1) a council of governments, a regional planning commission, or a similar regional planning agency created under Chapter 391, Local Government Code;

(2) a local workforce development board; or

(3) a MHMR community center.

Sec. 6.14. **Limitation on State Employment Levels.**

(a) A state agency or institution of higher education shall not have on its payroll, without the written approval of the Governor and the Legislative Budget Board, a number of employees which would cause the number of full-time equivalent employees (FTEs) employed by the state agency or institution of higher education for a fiscal quarter to exceed the "Number of Full-time Equivalent Positions (FTE)" or "Number of Full-time Equivalent Positions (FTE)—Appropriated Funds" figure indicated by this Act for that state agency or institution.

(b) A request to exceed the FTE limitation established by this section must be submitted by the governing board of the state agency or institution of higher education and must include at a minimum:

(1) the date on which the board approved the request;

(2) a statement justifying the need to exceed the limitation;

(3) the source of funds to be used to pay the salaries; and

(4) an explanation as to why the functions of the proposed additional FTEs cannot be performed within current staffing levels.

(c) For the purpose of Subsection (a), the number of FTEs employed by a state agency, including the Texas Food and Fibers Commission, Texas Engineering Extension Service, Texas Agricultural Extension Service, Texas Forest Service, Texas Veterinary Medical Diagnostic Laboratory, and Texas Wildlife Damage Management Service (but not including an institution of higher education, the Parks and Wildlife Department, Texas School for the Blind and Visually Impaired, Texas School for the Deaf, Texas Agricultural Experiment Station, Texas Engineering Experiment Station, Texas Transportation Institute, and Texas Natural Resource Conservation Commission) for a fiscal quarter:

(1) shall be determined in accordance with the report filed pursuant to § 2052.103, Government Code;

(2) shall only include employees paid with funds appropriated through this Act;

(3) shall not include overtime hours; and

(4) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(d) For the purpose of Subsection (a), the number of FTEs employed by the Texas Natural Resource Conservation Commission, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Agricultural Experiment Station, the Texas Engineering Experiment Station, the Texas Transportation Institute, or an institution of higher education, (but not including the Texas Food and Fibers Commission, the Texas Engineering Extension Service, the Texas Agricultural Extension Service, the Texas Forest Service, the Texas Veterinary Medical Diagnostic Laboratory, and the Texas Wildlife Damage Management Service) for a fiscal year:

(1) shall be determined in accordance with the reports filed pursuant to § 2052.103, Government Code;

(2) shall be an average of the four reports filed for that fiscal year;

(3) shall include employees paid with funds appropriated through this Act;

(4) shall not include overtime hours; and

(5) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(e) This section shall not apply to appropriations made by this Act to the:

(1) Office of the Governor; or

(2) Comptroller when that agency has determined by a cost/benefit analysis that an outsourcing or contracting arrangement provides savings to this State.

(f) If the Texas Agricultural Experiment Station, Texas Engineering Experiment Station, Texas Transportation Institute, Texas Food and Fibers Commission, Texas Engineering Extension Service, Texas Agricultural Extension Service, Texas Forest Service, Texas Veterinary Medical Diagnostic Laboratory, or Texas Wildlife Damage Management Service, or an institution of higher education should be shown in this Act with an "FTE - Appropriated Funds" and an "FTE - Total," the FTE limitation established by Subsection (a) shall be the "FTE - Appropriated Funds" figure.

(g) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this section.

Sec. 6.15. **Purchases of Postage.**

(a) If the expenditures for postage by an agency, other than the legislature or an institution of higher education, exceed $4,000 for a fiscal year, the agency shall purchase postage only in accordance with § 2113.103(c), Government Code.

(b) The amount received by an agency as a refund of postage used by the agency shall be deposited in the fund to the credit of the appropriation from which postage for the agency is paid and is hereby appropriated to the agency for postage use.

Sec. 6.16. **Publication or Sale of Printed, Recorded, or Electronically Produced Matter or Records.**

(a) Funds appropriated by this Act may not be used for the publication, recording, production, or distribution of any item or matter, including lists, notices, pamphlets, video tapes, audio tapes, microfiche, films or other electronically produced information or records unless such publication, recording, or production is:

(1) essential to accomplish or achieve a strategy or outcome target established by this Act; or

(2) required by law.

(b) Any funds received and collected from any charges specifically authorized by statute for the productions, publications, or records are hereby appropriated to the agency issuing the productions, publications, or records for use during the year in which the receipts are collected. The Comptroller shall credit such receipts to the like appropriation item from which the original costs are paid.

Sec. 6.17. **Limitation on Expenditures - Capital Budget.**

(a) Contained in appropriations made to certain agencies by this Act are amounts identified as the "Capital Budget." Except as provided under this Section, none of the funds appropriated by this Act, in excess of amounts restricted to capital budget purposes, may be expended without the prior approval of the Governor and Legislative Budget Board.

(b) A request for approval to exceed the limitation on capital budget expenditures must be submitted by the agency's governing board and must include at a minimum:

(1) the date on which the board approved the request;

(2) a statement justifying the need to exceed the limitation;

(3) the source of funds to be used to make the purchases; and

(4) an explanation as to why such expenditures cannot be deferred.

(c) This restriction does not apply to:

(1) expenditures for capital outlay items that are not included in the definition of "Capital Budget" under Subsection (d); or

(2) expenditures for Capital Budget purposes made by:

(A) institutions of higher education; or
(B) public community/junior colleges.

(d) "Capital Budget" includes expenditures, for assets with a project cost or unit cost in excess of $25,000, within the following categories:

(1) Acquisition of Land and Other Real Property (except for right-of-way purchases made by the Texas Department of Transportation);

(2) Construction of Buildings and Facilities;

(3) Repairs or Rehabilitation of Buildings and Facilities;

(4) Construction of Roads (except for such expenditures made by the Texas Department of Transportation);

(5) Acquisition of Information Resource Technologies;

(6) Transportation Items;

(7) Acquisition of Capital Equipment and Items; or

(8) Other Lease Payments to the Master Lease Purchase Program (for items acquired prior to September 1, 2001 only).

(e) Any expenditure directly related to acquisition of an asset, or to placing an asset in service, may be paid from the appropriation made to the "Capital Budget."

(f) In implementing this section, the Comptroller should refer to the detailed instructions for preparing and submitting requests for legislative appropriations for the biennium beginning September 1, 2001, and the definitions therein, and to the official request for legislative appropriations submitted by the affected agency.

(g) Appropriations restricted to capital budget purposes and not identified in a "Capital Budget" as being for lease payments to the master lease purchase program (MLPP) or for other lease-purchase payments may be utilized to make lease payments under MLPP or for other lease or installment payments only if the agency to which the appropriation is made provides a report to the Comptroller specifying the sum of the lease payments to be made during the biennium for the Capital Budget item being acquired. The Comptroller shall reduce the appropriation made by this Act for the Capital Budget item in an amount equal to the difference between the appropriated amount and the sum of the lease payments for the biennium and deposit that amount into the unappropriated balance of the original funding source. In the event that the Comptroller cannot determine the amount appropriated for a specific Capital Budget item, the amount shall be determined by the Legislative Budget Board.

(h) Funds restricted to "Acquisition of Information Resource Technologies" may also be used to purchase or contract for computer time, facility resources, maintenance, and training.

(i) (1) Appropriations may be transferred:
- (A) from a non-capital budget item to a capital budget item;
- (B) from a capital budget item to another capital budget item; or
- (C) from a capital budget item to an additional capital budget item not presented in the agency's bill pattern.

(2) The amounts transferred during a fiscal year as provided by Subdivision (1) of this Subsection (i) may not to exceed 25 percent of either:
- (A) the amount of the capital budget item from which funds are being transferred; or
- (B) the amount of the capital budget item to which funds are being transferred.

(3) Appropriations may not be transferred from a non-capital budget item to an additional capital budget item not presented in the agency's bill pattern.

(j) Any unexpended balances remaining in appropriations made by this Act for capital budget purposes for fiscal year 2002 are hereby appropriated for fiscal year 2003 for the same purpose.

(k) For an agency that does not have a Capital Budget provision following its items of appropriation in this Act, the amount of "appropriations restricted to capital budget purposes" is zero for the purpose of calculating the limitation on capital budget expenditures under Subsection (a).

Sec. 6.18. **Purchases of Information Resources Technologies.**

(a) In this section:
(1) "Information resources" and (2) "Information resources technologies" have the meanings provided by § 2054.003, Government Code.

(2) "Quality Assurance Team" and "QAT" means the representatives of the Legislative Budget Board and the State Auditor.

(b) A state agency may not request appropriations for information technology unless the information technology is in a plan approved by the Legislative Budget Board.

(c) Prior to amending a contract for development of a major information technology project, when the amendment constitutes a 10 percent or greater change, the agency shall notify the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, House Appropriations Committee, Department of Information Resources and the Quality Assurance Team (QAT). For contracts having a total value in excess of $1.0 million an amendment to the contract that changes the total value of the contract or any element of the contract by more than 10 percent of the total value of the contract is not valid without QAT approval.

Sec. 6.19. **Quality Assurance Review of Major Information Resources Projects.**

(a) In this section:

(1) "Major information resources project" has the meaning provided by § 2054.118, Government Code.
(2) "Quality Assurance Team" or "QAT" means the representatives of the Legislative Budget Board and the State Auditor who execute duties as provided by this section.

(b) A state agency may not expend appropriated funds for a major information resources project unless the project has been reviewed and approved by the Quality Assurance Team. The Quality Assurance Team shall determine approval based on an analysis of the project's risk. The Quality Assurance Team may request any information necessary to determine a project's potential risk. The Quality Assurance Team may waive the project review requirements for a project.

(c) The Quality Assurance Team may require independent project monitoring, project status reporting, project expenditure reporting, or any additional information necessary to assess a project's on-going potential for success. After a project has been completed, the Quality Assurance Team may also require an agency to submit a project post-implementation evaluation report to determine if the project met its planned objectives.

(d) The State Auditor's Office shall provide audit and review of the projects and the information provided by the agencies.

(e) The Quality Assurance Team may request the assistance of the Comptroller in regard to the accuracy of project expenditures and compliance with this Act.

(f) The Quality Assurance Team shall provide an annual report to the Governor, Lieutenant Governor, Speaker of the House, the House Appropriations Committee, and Senate Finance Committee on the status of projects under its review by December 1.

(g) The State Auditor may:

(1) provide an independent evaluation of the post implementation evaluation review process to ensure the validity of its results; and

(2) send the evaluation to the Legislative Audit Committee.

(h) The Legislative Budget Board may issue guidelines for software development, quality assurance, and the review of major information resources projects.

(i) Unless waived by the Legislative Budget Board the Quality Assurance Team shall require each affected agency to:

(1) quantitatively define the expected outcomes and outputs for each major information resource project at the outset;

(2) monitor cost; and

(3) evaluate the final results to determine whether expectations have been met.

Sec. 6.20. **West Texas Disaster Recovery and Operations Center.**

(a) In this section:
(1) "DIR" means the Department of Information Resources.
(2) "Center" means the West Texas Disaster Recovery and Operations Center.

(b) The DIR shall operate, or through cooperative agreement, manage operations of a disaster recovery and operations data center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Center for testing disaster recovery plans, for disaster recovery services, and for data center operations. None of the funds appropriated by this Act may be expended for entering into or renewing contracts or issuing purchase orders for disaster recovery plan testing services or disaster recovery services or data center operations from other state agencies or other providers of these services without first obtaining a waiver from the Legislative Budget Board, (pursuant to an interagency contract with DIR) certifying that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the Legislative Budget Board, (pursuant to an interagency contract with DIR) based on best value to this State.

Agencies and institutions of higher education should use the State Auditor's Report 95-139 in evaluating reasonable costs. The Legislative Budget Board, (pursuant to an interagency contract with DIR) may request assistance from the State Auditor's Office in validating cost evaluations. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver may not extend beyond the expiration date of the waiver.

(c) State agencies and institutions of higher education that use the Center shall do so under contract with the DIR. The DIR may collect fees for these services in amounts that offset the direct and indirect costs of providing the services. The DIR may request assistance from the State Auditor regarding the billing system formula for offsetting service costs. The DIR shall work with the State Council on Competitive Government on issues concerning state data center consolidations and provide information relating to the use of the Center as a location for one of the state's consolidated data centers.

Sec. 6.21. **Construction Policy.** A state entity receiving an appropriation under this Act may not establish a rule or policy that is inconsistent with the legislative intent that funds appropriated by this Act for construction projects be expended only pursuant to state entity policies that provide the greatest competitive advantage to the state allowable under Chapter 2258, Government Code.

Sec. 6.22. **Limitation on Use of Funds for Personal Residences.**

(a) Out of appropriations made by this Act, expenditures exceeding an aggregate amount of $25,000 for the biennium beginning on September 1, 2001, may not be made for purchasing, remodeling, or repairing of a personal residence or living quarters unless the expenditures are:

(1) (A) required by court order;

(B) will result in increased safety, significant net cost savings, or prevention of substantial waste; or

(C) are specifically identified in a Capital Budget in this Act; and

(2) the Governor and Legislative Budget Board have approved the expenditure under authority granted pursuant to Article XVI, § 69, Texas Constitution.

(b) In the event of an emergency or if the Legislative Budget Board fails to meet before the 30th day following the date of the request, the Director of the Legislative Budget Board, after consultation with the Board members, may take action in conjunction with the Governor on the request.

(c) The General Services Commission shall report all expenditures exceeding an aggregate amount of $25,000 for the biennium for purchasing, remodeling, or repairing a personal residence or living quarters to the Legislative Budget Board.

Sec. 6.23. **Grant Restriction.** Funds appropriated by this Act may not be expended for a grant to a law enforcement agency regulated by Chapter 1701, Occupations Code, unless:

(1) the law enforcement agency requesting the grant is in compliance with all rules developed by the Commission on Law Enforcement Officer Standards and Education; or

(2) the Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

Sec. 6.24. **Expenditures for State-Federal Relations.**

(a) Funds appropriated by this Act may not be spent by a state agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations to perform except when an interagency contract has been executed between the Office of State-Federal Relations and the state agency.

(b) Prior to travel to Washington, D.C., state agency personnel shall inform the Office of State-Federal Relations regarding:

(1) the timing of the trip;

(2) the purpose of the trip; and

(3) the name of a contact person for additional information.

Sec. 6.25. **Research Policy.**

(a) An agency may not expend any funds appropriated by this Act for research projects of any type until the agency has adopted and filed with the Legislative Budget Board a policy that clearly establishes and protects the property rights of the state with regard to any patentable product, process, or idea that might result from such research.

(b) In order to avoid duplication, a state agency, excluding an institution of higher education, may not expend funds appropriated by this Act to conduct or support policy research on a subject within the statutory jurisdiction of another agency without providing prior written notification, to the agency that has the statutory jurisdiction, concerning a work plan and the coordination of resources.

Sec. 6.26. **Court Representation and Outside Legal Counsel.**

(a) Except as otherwise provided by the Constitution or general or special statutes, the Attorney General shall have the primary duty of representing the State in the trial of civil cases. Prior to expenditure of funds for retaining outside legal counsel, agencies or departments (other than those included in Article X of this Act) shall request the Attorney General to perform such services. If the Attorney General determines that outside counsel is in the best interest of the State, the Attorney General shall so certify to the Comptroller and to the requesting agency which may then utilize appropriated funds to retain outside counsel. However, funds appropriated by this Act may not be used to contract with an attorney who represents clients before the agency or who has, during a six month period preceding the initiative of the contract and a six month period following the termination of the contract, represented clients before the agency. An agency may not initiate the process of selecting outside legal counsel prior to receiving the approval of the Attorney General to retain outside counsel.

(b) Funds appropriated in this Act may not be expended by any agency of the state government (other than those included in Article X of this Act) to initiate a civil suit or defend itself against a legal action without the consent of the Attorney General. Absent this consent, the agency shall be represented in that particular action by the Attorney General.

(c) On receipt of a request for outside counsel, the Attorney General shall make a determination on the request as expeditiously as possible, but in no event later than 10 working days after receiving such request.

(d) Where the Attorney General, district attorney, criminal district attorney, county attorney, or other lawyer is required by constitutional or statutory provision to represent a state agency, state official, state board, or state department, compensation may not be paid from any appropriation made in this Act to any other attorney for representing the State in the trial of a civil suit except in those cases where the Attorney General consents to such representation or the district attorney, criminal district attorney, county attorney, or other lawyer has requested that the attorneys employed by the particular state agency, state official, state department, or state board assist with the trial of the particular civil suit.

(e) This section does not restrict a state agency, state official, state department, or state board in the investigation and assembling of evidence in connection with a pending or prospective civil suit. This section does not prohibit the foregoing state officials, state agencies, state boards, or state departments and their employees from investigating, filing, or presenting to any person a claim, owing to the State.

(f) This section does not restrict the Attorney General from employing special assistants to assist in the trial of civil suits to be paid from the appropriations therefore made to the Attorney General.

(g) If a state agency requests the Attorney General to take legal action in court against another state agency, the Attorney General shall give special consideration to permitting one of the agencies to employ, from the permitted agency's funds, outside counsel to represent that agency in that action, in order to avoid a conflict of interest by the Attorney General in the representation of both agencies.

(h) If the Attorney General initiates legal action against another state agency on behalf of the Attorney General rather than another agency, the Legislature determines that a conflict of interest exists and the agency against which the Attorney General takes action may expend appropriated funds for outside legal counsel to represent that agency without the prior approval or consent of the Attorney General.

(i) Subsections (a) - (h) do not apply to funds appropriated to:

(1) the Office of the Governor;

(2) Comptroller;

(3) Department of Agriculture;

(4) General Land Office and Veteran’s Land Board; or

(5) the Railroad Commission of Texas.

(j) The funds appropriated by this Act may not be expended to pay the legal fees or expenses of a lawyer or law firm that represents the State or any of its agencies in a contested matter if the lawyer or law firm is representing a plaintiff in a proceeding seeking monetary damages from the State or any of its agencies.

(k) (1) None of the money appropriated by this Act may be expended by a state governmental entity for payment of legal fees or expenses under a contingent fee contract for legal services without the prior approval of the Legislative Budget Board in accordance with Article XVI, § 69, Texas Constitution.

(2) For purposes of this section, “state government entity” means a board, commission, department, office, or other agency in the executive branch of state government created under the constitution or a statute, including an institution of higher education.

(3) This section applies to all contingent fee contracts for legal services entered into by a state governmental entity, including legal services related to a parens patriae action or proceeding brought by a state governmental entity in the name of the state, except that this section does not apply to a contingent fee contract:

(A) for legal services performed for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapter 36, 66, 96, or 126, Finance Code; or

(B) under which recoveries from more than one entity are contemplated and the expected amount of each recovery and the actual amount of each recovery do not exceed $100,000.

(l) Any litigation that results in settlement, court order or other arrangement providing revenues or financial benefits to the State of Texas shall be structured to require the entire amount due to be paid to the treasury.

(m) (1) None of the money paid to a state government entity (as a result of a settlement of litigation, or other arrangement providing revenues or financial benefits as a result of litigation) may be expended by any person unless the Legislative Budget Board is notified in writing regarding the terms of the settlement or other arrangement and the state governmental entity's plans for the use of the money. The written notice must be delivered to the Legislative Budget Board by or on behalf of the state government entity 12 or more days before the date of authorization, execution, or other creation of evidence of the approval of the settlement or other arrangement by the state governmental entity.

(2) This subsection does not apply to a settlement of litigation, court order resulting from litigation, or other arrangement providing revenues or financial benefits as a result of litigation:

(A) for a state governmental entity in relation to the entity's actions as a receiver, special deputy receiver, liquidator, or liquidating agent in connection with the administration of the assets of an insolvent entity, including actions under Article 21.28, Insurance Code, or Chapter 36, 66, 96, or 126, Finance Code; or

(B) under which recovery to the state governmental entity does not exceed $500,000.

Sec. 6.27. **Judgments and Settlements.**

(a) The funds appropriated by this Act, including appropriations made in Article X of the Act, may not be expended for payment of a judgment or settlement prosecuted by or defended by the Attorney General and obtained against the State or a state agency, except:

(1) pursuant to this section; or

(2) where it is specifically provided in an item of appropriation that the funds thereby appropriated or expenditures therein authorized may be used for the payment of such judgments.

(b) The authorization provided by this subsection does not apply in those cases where the judgment order of the trial court was entered, or a settlement agreement was executed, prior to September 1, 1995. State agencies appropriated funds by this Act may expend funds

appropriated elsewhere in this Act for the purposes of paying settlements and judgments against the state for causes brought in a federal court or a court in this state under specific statutory authority. Payments made pursuant to this subsection are subject to the following processes and limitations:

(1) such funds are to be paid out by the Comptroller on vouchers drawn by the agency settling the lawsuit or paying the judgment, subject to the approval of the Governor and of the Attorney General according to Subsection (d);

(2) for purposes of this subsection, “judgment” means a judgment order rendered in a federal court or a court in this state for which an appeal or rehearing, or application therefore, is not pending and for which the time limitations for appeal or rehearing have expired;

(3) the payment of a settlement or judgment may not exceed $250,000;

(4) the payment of the settlement or judgment would not cause the total amount of payments made by the payer agency for that fiscal year to exceed 10 percent of the total amount of funds available for expenditure by that agency for that fiscal year; and

(5) the payment of a settlement or judgment may be made only with a complete release from any and all related claims and causes against the State, and in the case of a judgment, the payment may be made only in full satisfaction of that judgment.

(c) A state agency shall report a claim for property damage to the Attorney General not later than the second working day after the date the agency receives the claim. A state agency shall prepare a voucher for payment of a claim not later than the 10th working day after the date an agreement to settle the claim has been reached.

(d) Payment of all judgments and settlements prosecuted by or defended by the Attorney General is subject to approval of the Attorney General as to form, content, and amount, and certification by the Attorney General that payment of the judgment or settlement is a legally enforceable obligation of the State. This subsection applies equally to funds appropriated for expenditure through the state treasury, as well as funds appropriated for expenditure from funds held in local banks.

(e) The Attorney General shall report to the Legislative Budget Board and the Governor's Office of Budget and Planning not less than monthly, a listing of all settlements and judgments of more than $5,000 submitted to the Comptroller for payment. The document for publication shall contain at least the following information unless all or part of the information is exempt by court order or Chapter 552, Government Code, (the Open Records Act):

(1) a summary of the cause of action;

(2) a summary of the terms of the settlement;

(3) the style of the case;

(4) the name and business address of each attorney representing the opposing litigants at the time of the settlement;

(5) the amount of the judgment or settlement;

(6) the fund or account from which payment was or should be made;

(7) the statutory citation for the appropriation or other authority to be made;

(8) specific statutes granting waiver of sovereign immunity or legislative resolution granting litigant permission to sue;

(9) the date of judgment or settlement; and

(10) other information as the Legislative Budget Board may request and in the form requested by the Legislative Budget Board.

(f) The State Auditor may verify compliance with this section for all funds appropriated in this Act, including funds that are retained and expended from accounts held outside the state treasury and that are not subject to reimbursement through funds held in the state treasury. On verification that an agency has not obtained the Attorney General's approval prior to payment of a judgment or settlement, the State Auditor may certify such fact to the Comptroller. The Comptroller may withhold all appropriations for administrative expenses for the involved agency, until the Legislative Audit Committee notifies the Comptroller that the agency's non-compliance has been reviewed and necessary recommendations or changes have been made.

Sec. 6.28. **Expenditures for Representatives of Grievants Prohibited.**

(a) The funds appropriated by this Act may not be used to pay expenses for salary, travel, or per diem of a public employee who represents grievants in the presentation of grievances concerning wages, hours of work, or conditions of work.

(b) Notwithstanding Subsection (a), a state employee may take annual leave, compensatory leave, or leave without pay, subject to the procedures established by the state employee's agency of employment, to engage in this activity.

Sec. 6.29. **Agricultural Soil and Water Conservation.** Appropriations made elsewhere in this Act to the Texas Water Development Board, State Soil and Water Conservation Board, Texas Agricultural Experiment Station, or the Texas Agricultural Extension Service out of the Agricultural Soil and Water Conservation Fund Account No. 563 shall be allocated to each of those agencies in equal amounts.

Sec. 6.30. **Limitation on Expenditures for Purchases and Conversions of Alternative Fuel Vehicles.** A state agency, including an institution of higher education, that is required to meet the percentage requirements for vehicles capable of using alternative fuels under Chapter 2158, Government Code, may expend funds appropriated by this Act for the purpose of meeting the percentage requirements only if the agency purchases or converts a vehicle that uses the most cost-effective, fuel efficient and mechanically efficient alternative fuel source.

Sec. 6.31. **Performance Rewards and Penalties.**

(a) It is the intent of the legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of each state agency and institution. In order to achieve the objectives and service standards established by this

Act, agencies and institutions shall make every effort to attain the designated key performance target levels associated with each item of appropriation.

(b) To support and encourage the achievement and maintenance of these appropriated annual performance levels, continued expenditure of any appropriations in this Act shall be contingent upon compliance with the following provisions:

(1) Agencies and institutions, in coordination with the Legislative Budget Board, shall establish performance milestones for achieving targets within each annual budget and performance period; time frames for these milestones and the related performance reporting schedule shall be under guidelines developed by the Legislative Budget Board.

(2) Agencies and institutions shall provide testimony as to the reasons for any performance variances to the Senate Finance Committee and the House Appropriations Committee, as determined to be necessary by those committees; assessments of agency and institution performance shall be provided to the committees under guidelines and procedures developed by the Legislative Budget Board.

(c) Upon a finding that an agency or institution has successfully met or exceeded performance expectations, or has failed to achieve expected performance levels, the Legislative Budget Board, and the Governor, may adopt a budget execution order, which may include but is not limited to, one or more of the following:

(1) Positive Incentives/Rewards - Increased funding, exemption from reporting requirements, increased funding transferability, formalized recognition or accolade, awards or bonuses, expanded responsibility, or expanded contracting authority; or

(2) Negative Incentives/Redirection - Evaluation of outcome variances for remedial plan, reduction of funding, elimination of funding, restriction of funding, withholding of funding, reduction of funding transferability, transfer of functional responsibility to other entity, recommendation for placement in conservatorship, direction that a management audit be conducted or direction that other remedial or corrective actions be implemented.

(3) The Legislative Budget Board may develop rules and procedures for the implementation of the above provisions.

(4) The Legislative Budget Board may request from the State Auditor's Office comments regarding performance penalties and rewards.

(d) To further foster, support, and reward outstanding performance, ongoing productivity improvements and innovative improvement programs, and to retain key high performing employees, qualified state agencies and institutions may expend amounts necessary from funds appropriated in this Act for the purposes of enhancing compensation for employees who directly contributed to such improvements. Only classified employees (including classified employees of institutions of higher education) are eligible for enhanced compensation, and this award shall not exceed 6.8 percent of an employee’s annual base pay. To be eligible for this provision, an agency or institution must:

(1) Achieve or exceed targets for 80 percent of the established key performance measures:

(A) For fiscal year 2002, eligibility shall be determined by the Legislative Budget Board based on performance reported to the Automated Budgeting and Evaluation System of Texas (ABEST) for fiscal year 2001;

(B) For fiscal year 2003, eligibility shall be determined by the Legislative Budget Board based on performance reported to ABEST for fiscal year 2002; and

(2) Have an unqualified certification for at least 70% of its performance measures as shown by its most recent certification review by the State Auditor's Office; and

(3) File a report with the Comptroller, Legislative Budget Board, Governor's Office of Budget and Planning, House Appropriations Committee, and Senate Finance Committee describing the success of the innovative program and criteria used to assess the improvements; and

(4) Sixty days prior to implementation file a report with the Comptroller, Legislative Budget Board, Governor's Office of Budget and Planning, House Appropriations Committee, and Senate Finance Committee describing in detail how the agency intends to use this flexibility to further the goals of this section.

Sec. 6.32. **Bookkeeping Entries.** Should clerical or bookkeeping errors result in any moneys being expended, transferred, or deposited into incorrect funds in or with the state treasury or any moneys being cleared from a trust and suspense fund to other than the proper fund, such erroneously expended, transferred, deposited, or cleared moneys may be transferred to the correct funds or accounts or trust and suspense account within the state treasury on request of the administering department with the concurrence of the Comptroller, and so much as is necessary for said transfer is hereby appropriated.

Sec. 6.33. **Accounting for State Expenditures.**

(a) Notwithstanding the various patterns of appropriation established in this Act, the Comptroller shall account for the expenditure of funds appropriated by this Act in a manner that allows for the reporting of expenditures attributable to each strategy in each agency's respective Strategic Planning and Budget Structure as approved by the Governor's Office of Budget and Planning and the Legislative Budget Board. The information shall be recorded and maintained systematically in the state accounting system in a manner that provides for the integration of the state's budget data and the state's accounting data and to facilitate the state's budget development process.

(b) This section does not require the deposit into and subsequent disbursement of funds from the state treasury that relate to Texas Public Education Grants, Skiles Act Debt Service, or "local funds" defined in § 51.009, Education Code, except for tuition and lab fees.

Sec. 6.34. **Grants.**

(a) Funds appropriated by this Act for grants of money to be made by state agencies, including the agencies in the legislative branch, are appropriated for the statutory purposes as the grantor agency may specify. A state agency shall distribute grants on a reimbursement or as

needed basis unless otherwise provided by statute or otherwise determined by the grantor agency to be necessary for the purposes of the grant.

(b) Funds appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the funds appropriated for grant purposes. Distribution of the grant funds is subject to § 403.071, Government Code.

Sec. 6.35. **Fee Increase Notification.** None of the funds appropriated by this Act may be expended by an agency which increases the rate of a fee assessed by that agency unless the agency provides a notice to the payer of the fee that the fee rate was set by the agency or its governing board and not mandated by the Legislature.

Sec. 6.36. **Reimbursements for Unemployment Benefits.**

(a) At the close of each calendar quarter, the Texas Workforce Commission shall prepare a statement reflecting the amount of unemployment benefits paid to all former state employees based on wages earned from state employment and present it to the Comptroller. The Comptroller shall pay by warrant or transfer out of funds appropriated from the Unemployment Compensation Special Administration Fund Account No. 165 such amount to the Unemployment Compensation Benefit Account No. 937 to reimburse it for such payments.

(b) The Unemployment Compensation Special Administration Fund Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from appropriations made in this Act to the state agency that previously employed each respective former state employee whose payroll warrants were originally issued in whole or part from the General Revenue Fund, dedicated General Revenue Fund accounts, or Other Special Funds. From information provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, dedicated General Revenue Fund accounts, and Other Special Fund appropriations and transfer such amounts to the Unemployment Compensation Special Administration Fund Account No. 165. The amounts reimbursed pursuant to this subsection are hereby appropriated to the Unemployment Compensation Special Administration Fund Account No. 165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. The reimbursement requirements established by this subsection may be waived, either in whole or in part, by the Legislative Budget Board.

(c) In addition to other reimbursement provided by this section, the Unemployment Compensation Special Administration Fund Account No. 165 shall be reimbursed, for one-half of the unemployment benefits paid, from amounts appropriated to the Reimbursements to the Unemployment Compensation Benefit Account item in this Act out of dedicated General Revenue Fund accounts or Other Special Funds and shall be fully reimbursed from funds held in local bank accounts, for all former state employees whose payroll warrants were originally issued in whole or part from dedicated General Revenue Fund accounts, Other Special Funds or local bank accounts, respectively. From information provided by the Texas Workforce Commission, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the Unemployment Compensation Special Administration Fund Account No. 165. The amounts reimbursed from local funds pursuant to this subsection are hereby appropriated to the Unemployment Compensation Special Administration Fund Account No.

165 for the purpose of reimbursing the Unemployment Compensation Benefit Account No. 937. Such transfers and payments as are authorized under law shall be made not later than the 30th day after the date of receipt of the statement of payments due.

(d) The Comptroller may prescribe accounting procedures and regulations to implement this section.

(e) The Comptroller, upon certification of amounts due from the Texas Workforce Commission, including the sources of such amounts due, may transfer funds from such state agencies or institutions or other units of state government as the Texas Workforce Commission certifies remain due more than 30 days from receipt of the statement of payments due. The Texas Workforce Commission shall also determine the amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

Sec. 6.37. **Reimbursements for Workers' Compensation Payments.**

(a) At the close of each fiscal quarter, the State Office of Risk Management shall prepare a statement reflecting the amount of workers' compensation benefits paid to, or on behalf of, former and current state employees based on wages earned from state employment and present it to the Comptroller.

(b) The General Revenue Fund shall be reimbursed, for 25 percent of the workers' compensation benefits paid out of strategy item A.1.1., Workers' Comp Payments, from appropriations made elsewhere in this Act to the state agency that previously employed or currently employs each former or current state employee whose payroll warrants were originally issued in whole or in part from the General Revenue Fund, dedicated General Revenue Fund accounts, or Other Special Funds. From information provided by the State Office of Risk Management, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from the General Revenue Fund, dedicated General Revenue Fund accounts, and Other Special Fund appropriations and transfer such amounts to the General Revenue Fund. The amounts reimbursed pursuant to this subsection are hereby appropriated for the purpose of paying workers' compensation benefits out of strategy item A.1.1., Workers' Comp Payments, for current and former state employees. The reimbursement requirements established by this subsection may be waived, either in whole or in part, by the Legislative Budget Board.

(c) In addition to other amounts, the General Revenue Fund shall be reimbursed, for 75 percent of the workers' compensation benefits paid, from balances in dedicated General Revenue Fund accounts and in Other Special Funds, and shall be fully reimbursed from funds held in local bank accounts, for all former and current state employees whose payroll warrants were originally issued in whole or in part from dedicated General Revenue Fund accounts, Other Special Funds or local bank accounts, respectively. From information provided by the State Office of Risk Management, the Comptroller shall determine the proportionate amount of the reimbursement or payment due from funds other than General Revenue and transfer such funds to the General Revenue Fund. Twenty-five percent of the amounts reimbursed from local funds pursuant to this subsection are hereby appropriated for the purpose of paying workers' compensation benefits out of strategy item A.1.1., Workers' Comp Payments, for current and former state employees.

(d) Transfers and payments as are authorized under law shall be made not more than 30 days from receipt of the statement of payments due.

(e) The Comptroller may prescribe accounting procedures and regulations to implement this section.

(f) The Comptroller on certification of amounts due from the State Office of Risk Management, including the sources of such amounts due, may transfer funds from such state agencies or institutions or other units of state government as the State Office of Risk Management certifies remain due more than 30 days from receipt of the statement of payments due. The State Office of Risk Management shall also determine the amounts due from funds held outside the state treasury and notify the State Auditor and Comptroller of such amounts.

(g) This subsection is contingent upon enactment of House Bill 2976, or similar legislation, relating to the establishment of an allocation program for the funding of workers' compensation. Notwithstanding other provisions in this Act, participating agencies shall transfer to the State Office of Risk Management their assessed allocation amounts for workers' compensation coverage for their employees from funding in the same proportion as their expected payroll funding, including General Revenue Funds, dedicated General Revenue Fund accounts, Other Special Funds or local bank accounts. Subsections (b), (c), (d), (e), and (f) of this section are repealed to the extent that they conflict with this section.

Sec. 6.38. **Statewide Capital Planning.**

(a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2004-05 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include:

(1) a description of the project or acquisition;
(2) the cost of the project;
(3) the anticipated useful life of the project;
(4) the timing of the capital need;
(5) a proposed source of funds (method of financing);
(6) a proposed type of financing; and
(7) any additional related information requested by the Bond Review Board.

(b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2004-05 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor's Office of Budget and Planning and the Legislative Budget Board no later than December 31, 2001. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2003 with the Governor's Office and the Legislative Budget Board no later than September 1, 2002.

(c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity.

(d) This section applies to each anticipated state project requiring capital expenditures for:

(1) land acquisition;
(2) construction of building and other facilities;

(3) renovations of buildings and other facilities estimated to exceed $1 million in the aggregate for a single state agency or institution of higher education; or
(4) major information resources projects estimated to exceed $1 million.

(e) The Higher Education Coordinating Board and the Bond Review Board shall eliminate redundant reporting by consolidating this report and the Higher Education Coordinating Board's Master Plan report, to the greatest extent possible.

Sec. 6.39. **Consolidated Funds.** Contingent on the enactment of legislation relating to the dedication of funds, the Comptroller, on approval of the Legislative Budget Board, may change an applicable agency's method of financing source name as provided in this Act to reflect changes made by the other legislation that affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.

Sec. 6.40. **Purchasing of Pharmaceuticals.** An agency appropriated funds for the purpose of the purchase of pharmaceutical products may establish a preference for the purchase of those pharmaceutical products from a manufacturer that voluntarily participates in the Texas Department of Health's Vendor Drug Rebate Program for the Children with Special Health Care Needs (formerly known as "CIDC") Program and the Kidney Health Care Program.

Sec. 6.41. **Full Application for Health Coverage.** To the fullest extent permitted by federal law and regulations, all state agencies that have children in their custody must apply for enrollment of all children in the Medicaid or the Childrens' Health Insurance Program, unless the children have otherwise been provided health insurance.

Sec. 6.42. **State Agency Communication with Employees Regarding the State Kids Insurance Program (SKIP).**

(a) A state agency shall provide each employee with information regarding the State Kids Insurance Program (SKIP) and Medicaid. When offering insurance to employees, agencies must provide separate literature, including eligibility requirements and prices, for SKIP and Children's Medicaid. The outreach shall be performed at least annually during open enrollment (beginning with the summer of 2001), and with any new state employee at the time of hiring.

(b) The Health and Human Services Commission shall develop an application and a brochure for state employees about SKIP and for Children's Medicaid. These documents shall be developed with collaboration from the Employee Retirement System, the Health and Human Services Commission's internal Medicaid division, and the Health and Human Services Commission's Children's Health Insurance Program department. The brochure should include an eligibility chart, pricing information, and a telephone number to call the Health and Human Services Commission, or the Employee Retirement System to answer questions. All of the aforementioned documents shall be easily reproduced by other state agencies, and shall be made available on each agency's website to download from the Internet. The information contained within these documents shall be updated annually.

Sec. 6.43. **Completion of Memorandum of Understanding Regarding Transition Services for Students with Disabilities.** The Texas Education Agency, the Texas Department of Mental Health and Mental Retardation, and the Texas Rehabilitation Commission, with other appropriate agencies as requested by the above agencies, shall develop, agree to, and by rule adopt an updated memorandum of understanding that establishes the respective responsibilities of each agency for the provision of services necessary to prepare students enrolled in special education programs for a

successful transition to life outside of the public school system. The memorandum of understanding shall include clear designation of the respective responsibility of each participating agency to provide or pay for specific services, establish a uniform system across participating agencies for resolution of disputes regarding transition services, and establish a point of responsibility within each participating agency for implementation by that agency of the requirements of the MOU. The updated memorandum of understanding must be completed by December 31, 2001.

Sec. 6.44. **Interagency Contract Funding for Regional Specialist Projects.** The Texas Commission for the Deaf and Hard of Hearing (TCDHH) is hereby authorized to collect, through interagency contracts with the 20 state agencies having the greatest number of employees whose duties include direct interaction with members of the public, $990,000 for the purpose of funding a Regional Specialist project in all eleven health and human services regions. The State Auditor's Office and the Commission for the Deaf and Hard of Hearing shall cooperate to identify the 20 state agencies with the greatest number of employees whose duties include direct interaction with members of the public. Each agency thus identified shall provide $24,750 for fiscal year 2002 and $24,750 for fiscal year 2003 via interagency contract by October 1 of each fiscal year to the Commission for the Deaf and Hard of Hearing. General Revenue in the amount of $240,000 in TCDHH Strategy A.1.1. Contract Services made available by this method of finance change to current Regional Specialist projects shall be made available for expenditure on development of a Hispanic trilingual interpreter test, hard of hearing projects, and senior citizens projects.

Sec. 6.45. **Repayment of Overpaid Food Stamp Benefits.** Contingent upon the denial by the federal government of a requested waiver to avoid recoupment of overpaid benefits made to families, and contingent upon a determination by the federal government that full or partial repayment of these benefits is required, the appropriations made in this Act to the Office of the Attorney General shall be reduced by the amount identified by the federal government as required repayments and such funds shall be transferred to the Department of Human Services by the Comptroller for the purpose of repayment of benefits as determined by the federal government. The amounts transferred shall not exceed $503,384 and are limited to amounts related to transmission of incorrect data from the Office of the Attorney General to the Department of Human Services. Documentation of the amount and timing of the transfers shall be provided to the Legislative Budget Board, the Governor, and the Comptroller prior to and subsequent to the transfer.

Sec. 6.46. **Authorization to Transfer Appropriations, Personnel, and Capital Budget Authority Related to the Council on Developmental Disabilities.**

(a) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all appropriations, full-time-equivalent positions, and capital budget authority relating to the council for the 2002-03 state fiscal biennium are transferred from the commission to the agency designated by the Governor on the date of the designation.

(b) The amount of federal funds to be transferred under this rider is estimated to be $3,968,113 for state fiscal year 2002 and $3,967,493 for state fiscal year 2003. The number of full-time equivalents to be transferred under this rider is 17 for each year of the biennium. Transfers under this rider shall be made from the Rehabilitation Commission Strategy C.1.1., Promote Independence, to another appropriate strategy designated by the Governor.

(c) If the Governor designates an agency other than the Texas Rehabilitation Commission to provide fiscal and administrative services for the Council on Developmental Disabilities, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds relating to the council are transferred to the agency designated by the Governor on the date of the designation.

(d) The Health and Human Services Commission shall make a final determination of the amount of funding and the number of full-time equivalents to be transferred under this rider. The commission shall submit a report of the amount of funds and the number of full-time equivalents transferred to the Governor's Office and the Legislative Budget Board not later than 30 days prior to the final transfer.

Sec. 6.47. **Bulk Purchasing of Pharmaceuticals.** The following agencies are hereby directed to form an interagency council to develop procedures that all state agencies must follow in expending funds appropriated by this Act for the purchase of pharmaceuticals:

(1) Department of Health;
(2) Department of Mental Health and Mental Retardation;
(3) Department of Criminal Justice;
(4) Employees Retirement System;
(5) Teacher Retirement System; and
(6) Any other agency that purchases pharmaceuticals, as designated by the commissioner of health and human services.

The members of the council may designate one member agency to be the lead agency for the council and one member agency to be the central purchasing agency for purchasing pharmaceuticals. To the extent possible, a designated central purchasing agency shall use existing distribution networks, including wholesale and retail distributors, to distribute the pharmaceuticals.

A member agency may elect not to follow the council procedures if the agency can purchase the pharmaceuticals for a lower price than through the council. A non-participating agency must provide information to the designated lead agency regarding the purchase price for the pharmaceuticals and the name of the wholesaler or retailer selling the pharmaceuticals.

The council shall investigate any and all options for better purchasing power, including expanding Medicaid purchasing, qualifying for participation in purchasing programs under 42 U.S.C. Section 256b, hospital disproportionate share purchasing, and health department and federally qualified health center purchasing.

The council shall study and make recommendations regarding drug utilization review, prior authorization, the use of restrictive formularies, the use of mail order programs, copayment structure, and limits on the number of prescriptions for non-life sustaining drugs.

Sec. 6.48. **Demographic and Statistical Studies.** Before expending funds appropriated by the Act for the purpose of contracting for a consultant or other private assistance in performing a study required by the Legislature that includes statistical or demographic analysis of data, the agency conducting the study shall determine if the resources of the Texas Legislative Council are available to assist the agency in designing or conducting that component of the study.

PART 7. REPORTING REQUIREMENTS

Sec. 7.01. **Budgeting and Reporting.**

(a) As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend funds only if there is compliance with the following provisions:

(1) On or before November 1 of each fiscal year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor's Office of Budget and Planning, the Legislative Budget Board, the Comptroller, and the Legislative Reference Library in the format prescribed jointly by both budget offices.

(2) All subsequent amendments to the original budget shall be filed with the Governor's Office of Budget and Planning and the Legislative Budget Board within 30 days of approval of such amendments unless such reporting requirement is waived.

(3) Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor's Office of Budget and Planning, the Legislative Reference Library, the state publications clearinghouse of the Texas State Library, and the appropriate substantive committees of the House and Senate. The report shall analyze the agency's performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board. The report shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board (in consultation with the Governor's Office of Budget and Planning) shall:

(A) specify the measures to be reported including the key performance measures established in this Act;

(B) approve the definitions of measures reported; and

(C) establish standards for and the reporting of variances between actual and targeted performance levels.

(4) The Legislative Budget Board (in consultation with the Governor's Office of Budget and Planning) may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.

(5) To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor's Office of Budget and Planning:

(A) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required;

(B) approve the basis for calculating and allocating costs to selected functions, tasks or measures;

(C) determine the frequency of reporting cost accounting data needed; and

(D) provide for the integration of cost accounting data into the budget development and oversight process.

(6) The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation.

(b) It is further the intent of the Legislature that the Comptroller develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above.

Sec. 7.02. **Annual Reports and Inventories.**

(a) None of the moneys appropriated by this Act may be expended after November 20th following the close of the fiscal year unless an annual report has been filed by the executive head of each agency specified in this Act in accordance with § 2101.011, Government Code.

(b) The State Auditor shall certify to the Comptroller any agency that has not filed the required annual report within the specified time. The Comptroller shall withhold any appropriations for expense reimbursements for the heads of agencies or any employees of such agencies as are on this certified list until the State Auditor notifies the Comptroller that the delinquent reports have been filed.

(c) The words "heads of agencies" as used in this section means the elected and appointed officials, members of commissions, boards, etc., and the chief administrative officer of such department, board, commission, bureau, office, or agency of the state for which appropriations are made in this Act.

Sec. 7.03. **Notification to Members of the Legislature.** An agency shall provide notification to affected members of the Legislature prior to the public announcement of the closing of any agency field offices.

Sec. 7.04. **Reporting Requirements: Temporary Assistance for Needy Families (TANF) Federal Funds.**

(a) In this section:
(1) "Single State Agency" means the agency designated to administer TANF.

(2) "TANF" means Temporary Assistance for Needy Families.

(b) A state agency appropriated TANF federal funds shall quarterly:
(1) report to the single state agency for TANF, all federal, state, and local expenditures, administrative expenditures, and related caseload data, compiled on a federal fiscal year basis to ensure compliance with federal provisions and the state maintenance of effort; and

(2) submit a TANF expenditure report to the Legislative Budget Board and the Office of the Governor compiled on a state fiscal year basis and accompanied by supporting documentation as specified by the Legislative Budget Board and the Office of the Governor.

Sec. 7.05. **Notification to Members of the Legislature Regarding Press Release.** At the time of announcing information to the news media concerning a matter of public safety, a state agency that receives funds appropriated under this Act shall make a reasonable attempt to contact each member of the Legislature whose district could be affected by the content of the press release and disclose to the member the content of the press release. To receive notice from an agency as provided by this section, a member of the Legislature must request that the agency inform the member regarding all press releases.

PART 8. OTHER APPROPRIATION AUTHORITY

Sec. 8.01. **Acceptance of Gifts of Money.**

(a) A gift or bequest of money to a state agency named in this Act, including the legislative branch, that has specific authority to accept gifts is appropriated to the agency designated by the grantor and for the purpose the grantor may specify, subject to Subsections (b), (c), (d), and (e).

(b) Unless exempted by specific statutory authority, a gift or bequest of money shall be:

(1) deposited into the state treasury, and

(2) expended in accordance with the provisions of this Act.

(c) A gift or bequest to a state agency may not be transferred to a private or public development fund or foundation, unless written permission for the transfer is given by the donor of the gift or representative of the estate. An account of all such letters of written permission and transfers of gifts or bequests shall be kept by the agency and shall be reported to the State Auditor.

(d) An unexpended balance, from a gift or bequest, existing at the beginning of this biennium or at the end of a fiscal year of this biennium is hereby appropriated for use during this biennium for the purpose provided by the grantor.

(e) It is the intent of the legislature that during the years subsequent to this biennium, to the extent allowed by law, the gift or bequest be used by the beneficiary agency for the purpose provided by the grantor.

Sec. 8.02. **Federal Funds/Block Grants.**

(a) All funds received from the United States government by a state agency or institution named in this Act are hereby appropriated to the agency for the purposes for which the federal grant, allocation, aid, payment, or reimbursement was made subject to the provisions of this section.

(b) Except for an institution of higher education, federal funds:

(1) including unexpended balances, shall be deposited to and expended from the specific appropriation item identified in this Act; and

(2) may not be expended for a strategy or function other than a strategy or function that has been reviewed by the Seventy-seventh Legislature and authorized by specific

language in this Act or encompassed by an agency's budget structure as established by this Act.

(c) As applicable, federal reimbursements received for expenditures previously made or services performed on behalf of federal programs from state funds shall be credited by the Comptroller to the fund from which the expenditure was originally made. The credit shall be to the agency's current appropriation item or accounts from which the expenditures of like character were originally made and are hereby appropriated. Reimbursements received from employee benefits paid from General Revenue Fund appropriations of other administering agencies shall be deposited to the unappropriated General Revenue Fund.

(d) A position created for administration of federal grant programs shall be phased out upon discontinuance of the particular federal grant for which it was authorized.

(e) (1) Semi-annual reports, of federal funds received and their intended usage comparing historical, appropriated, and agency expected amounts for those funds, shall be filed by the Governor’s Budget and Planning Office with the Legislative Budget Board and the presiding officers of both houses of the Legislature for referral to appropriate standing committees for review.

(2) Before expending or obligating funds received under a federal grant or program, an agency must file the required information regarding application for federal funds and receipt of federal funds.

(f) Agencies subject to Chapter 654, Government Code (the Position Classification Act) will make federal grant employment in accordance with the provisions of that Act in positions listed in, or otherwise authorized by, this Article.

(g) In order to maximize the amount of federal alcohol and drug abuse funds that might become available to the Texas Commission on Alcohol and Drug Abuse, state funds used by a state agency to provide alcohol and drug abuse services may be counted towards any required state matching contribution for such federal funds.

(h) In the event that federal programs that authorize federal funds included in this Act are eliminated, consolidated, or replaced with new federal programs and funding authorization or block grants, or the federal funds appropriated to agencies are reduced, any reduction or reallocation of federal funds will be distributed across affected agencies and programs to pattern the strategies and programs included in this Act to the extent possible without restricting the state's ability to receive federal funds, in accordance with a plan adopted by the designated single state agency or otherwise by each affected agency. An agency shall provide a copy of the plan to the Legislative Budget Board and the Governor.

Sec. 8.03. **Reimbursements and Payments.**

(a) Any reimbursements received by an agency of the state for authorized services, including contractual agreements with a non-governmental source or any unit of government, including state, federal, or local government, and any payments to an agency of the state government made in settlement of a claim for damages, are hereby appropriated to the agency of the state receiving such reimbursements and payments for use during the fiscal year in which they are received. Revenues specifically established by statute on a fee or service provided basis are not appropriated by this section and are available for expenditure by the collecting agency only if appropriated elsewhere in this Act.

(b) Forfeited money, proceeds from the sale of forfeited property or similar monetary awards related to the agency's participation in the seizure of controlled substances or other contraband are hereby appropriated to the receiving state agency, unless distribution is otherwise provided by statute or specific provision of this Act.

(c) Except as provided elsewhere in this Act, net amounts of money received by an agency as a result of tax seizures or other similar recoveries authorized by statute shall be deposited in the state treasury as unappropriated revenues to the funds or accounts authorized by statute.

(d) The portion of proceeds representing recoveries of costs incurred in forfeitures under Subsection (b) or, seizures or similar recoveries under Subsection (c) are appropriated to the receiving agency. Such cost recoveries include court costs, attorney fees, rentals or storage fees, auction and sale costs, preparation costs to condition property for sale, and salaries, travel, and other overhead costs of the agency.

(e) The reimbursements and payments received under Subsection (a) shall be credited by the Comptroller to the agency's current appropriation items or accounts from which the expenditures of like character were originally made, or in the case of damage settlements to the appropriation items or accounts from which repairs or replacements are made; provided, however, that any refund of less than $50 to an institution of higher education for postage, telephone service, returned books and materials, cylinder and container deposits, insurance premiums and like items, shall be deposited to the current fund account of the institution in the state treasury and such funds are hereby appropriated.

Sec. 8.04. **Surplus Property.** Receipts to any agency of the state government specified in this Act received from the sale of surplus property, equipment, livestock, commodities, or salvage pursuant to the provisions of Chapter 2175, Government Code, are hereby appropriated to the state agency for expenditure during the fiscal year in which the receipts are received. Receipts from such surplus and salvage sales shall be credited to the appropriation item from which like property, equipment, livestock, or commodities would be purchased.

Sec. 8.05. **Refunds of Deposits.**

(a) Any money deposited into the state treasury which is subject to refund as provided by law shall be refunded from the fund into which the money was deposited, transferred, or otherwise credited, and so much as is necessary for said refunds is hereby appropriated.

(b) Unless another law, or section of this Act, provides a period within which a particular refund claim must be made, funds appropriated by this Act may not be used to pay a refund claim made under this section after four years from the latest date on which the amount collected or received by the state was due, if the amount was required to be paid on or before a particular date. If the amount was not required to be paid on or before a particular date, a refund claim may not be made after four years from the date the amount was collected or received. A person who fails to make a refund claim within the period provided by law, or this provision, may not receive payment of a refund under this section.

(c) As a specific limitation to the amount of refunds paid from funds appropriated by this Act during the 2002-03 biennium, the Comptroller may not approve claims or issue warrants for refunds in excess of the amount of revenue estimated to be available from the tax, fee, or other revenue source during the biennium according to the Biennial Revenue Estimate of the Comptroller used for certification of this Act. Any claim or portion of a claim that is in

excess of this limitation shall be presented to the next legislature for a specific appropriation in order for payment to be made. The limit provided by this subsection does not apply to any taxes or fees paid under protest.

Sec. 8.06. **Vending Machines.** All receipts collected from vending machine operations pursuant to § 2203.005, Government Code, are hereby appropriated to the institution, board, commission, or agency for use as directed by the board or commission authorizing the installation.

Sec. 8.07. **Pay Station Telephones.** All receipts collected from pay station telephone operations pursuant to § 2170.009, Government Code, are hereby appropriated for use by the agency as determined by the governing board or commission.

Sec. 8.08. **Appropriation of Collections for Seminars and Conferences.** All funds collected for the reimbursement of costs directly associated with the conducting of seminars, conferences, or clinics that directly relate to the legal responsibilities and duties of the agency and that are for the purposes of education, training, or informing employees or the general public are hereby appropriated for the necessary expenses incurred in conducting the seminar; provided, however, all applicable laws, and rules and regulations for the acquisition of goods and services for the state shall apply to the expenditures. Any unexpended balances remaining as of August 31, 2001, in an appropriation made by Article IX, § 9-8.08, of H.B. 1, Seventy-sixth Legislature, Regular Session, 1999, are hereby appropriated for the same purpose.

Sec. 8.09. **Appropriation of Bond Proceeds.** The proceeds from the issuance and sale of bonds or other obligations pursuant to the provisions of Chapter 1232, Government Code, and Chapter 1401, Government Code, are appropriated to the state agency to whose account the proceeds are deposited or credited. Proceeds include interest and investment income.

Sec. 8.10. **CMIA Interest Payments.**

(a) There is hereby appropriated to the Comptroller for the biennium ending August 31, 2003 sufficient general revenue monies for the payment of interest due the federal government under the federal Cash Management Improvement Act of 1990 (31 U.S.C. § 6501 et seq.).

(b) An amount equal to the amount of interest payments made from general revenue on behalf of special funds or accounts as a result of the federal Cash Management Improvement Act of 1990 is hereby appropriated from special funds. The Comptroller shall transfer from each special fund or account to general revenue, an amount equal to the amount of interest paid on behalf of each special fund or account.

Sec. 8.11. **Appropriation of Disproportionate Share Hospital Payments to State Owned Hospitals.** Disproportionate Share Hospital Program payments from the Health and Human Services Commission to state owned hospitals are appropriated to the receiving state agency/hospital as replacement funding for funds transferred to the Health and Human Services Commission and are subject to the accounting provisions as required by the Comptroller including deposits to the fund or account from which the original source of transfers to the Health and Human Services Commission was made.

Sec. 8.12. **Appropriation of Receipts: Credit, Charge, or Debit Card Service Fees.** Any fee receipts assessed by an agency for the use of a credit, charge, or debit card for the payment of a fee, tax, penalty, or other charge authorized by law are appropriated to that agency from the fund to which the fee was deposited for the purpose of paying the costs associated with receiving the payment. Any unexpended balances from credit, charge, or debit card processing or convenience fees

remaining at the end of the fiscal biennium ending August 31, 2001, are reappropriated to the assessing agency from the agency from the fund to which the fee was deposited for the same purposes for the fiscal biennium beginning September 1, 2001.

PART 9. OTHER PROVISIONS

Sec. 9.01. **Employee Meal Authorization.** State agencies providing institution-based services, including the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, the Texas Youth Commission, the Texas School for the Blind and Visually Impaired, and the Texas School for the Deaf, may provide meals to employees working in institutional settings and may charge a fee at costs established by the agencies that does not exceed the direct and indirect costs of preparation.

Sec. 9.02. **Bank Fees and Charges.** From interest income appropriated by this Act, amounts may be used for the purpose of paying bank fees and charges as necessary.

Sec. 9.03. **Lost Property.** A state agency or institution of higher education must annually report to the Legislative Budget Board and the Comptroller the value of property lost or missing from the possession of the agency or institution of higher education. The Legislative Budget Board and the Comptroller may prescribe forms and dates for reporting. The Comptroller shall withhold from the General Revenue Funds appropriated to the state agency or institution of higher education by this Act an amount equal to 50 percent of the value of the lost property provided that the loss falls outside the standards promulgated by the American Society for Testing and Materials. If a state agency or institution of higher education subsequently recovers or accounts for lost property to the satisfaction of the Comptroller, the Comptroller shall release to the state agency or institution of higher education a proportional amount of previously withheld General Revenue Funds.

Sec. 9.04. **In-kind Gas Program.** The General Land Office shall, on a monthly basis, inform the Comptroller of the savings being achieved by an agency under the in-kind gas program of § 31.401, Natural Resources Code and the Comptroller shall reduce the agency's utility appropriation authority accordingly. The Comptroller shall transfer the savings realized into the General Revenue Fund.

Sec. 9.05. **Limitation on Expenditures for Leased Space.** Funds appropriated by this Act may not be expended for leased office or building space for operations that are moved into newly constructed, purchased, expanded, or renovated state owned facilities funded from Texas Public Finance Authority Revenue Bonds.

Sec. 9.06. **Consolidation of Lease Space to State Owned Space.** In the event that an agency moves from leased space to state owned space subsequent to the passage of this Act, the Comptroller shall reduce funds appropriated to each affected agency, by an amount equal to the lease costs that would have been incurred for the remainder of the biennium had the agency remained in leased space, less the costs the agency incurs for moving and the agency's tenant finish-out expenses as defined by the General Services Commission. Required moving and tenant finish-out costs incurred by an agency moving from leased space to state owned space in fiscal year 2001 may be paid from 2002 fiscal year appropriations and costs incurred in 2002 may be paid from 2003 fiscal year appropriations as necessary to facilitate the move. The Comptroller shall transfer to the General Services Commission from the special funds or accounts, including dedicated General Revenue Fund accounts, of those agencies that move into a state facility funded from Texas Public Finance Authority revenue bond proceeds, each agency's proportional share of the lease payments made for the facility as determined by the General Services Commission. The Comptroller shall reduce the amounts

appropriated to the General Services Commission out of the General Revenue Fund for Lease Payments, in the appropriate Article of this Act, by an amount equal to the sum of the transfers from the special funds or accounts. The funds so transferred are hereby appropriated to the General Services Commission for the purposes of making lease payments to the Texas Public Finance Authority.

Sec. 9.07. **Transfer of Master Lease Purchase Program Payments.**

(a) The Texas Public Finance Authority is hereby authorized to transfer each agency's share of administrative fees and lease payments pursuant to the Master Lease Purchase Program from each agency's appropriations made elsewhere in this Act to the Texas Public Finance Authority Master Lease Purchase Program cost of issuance funds and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The Texas Public Finance Authority may transfer funds necessary for Master Lease Purchase Program debt service payments from the State Lease Fund Account to the Texas Public Finance Authority Master Lease Purchase Program interest and sinking funds.

(b) The Comptroller shall assist the Texas Public Finance Authority in the transfer of lease payments. State agencies participating in the Master Lease Purchase Program shall cooperate in the timely transfer of lease payments to the Texas Public Finance Authority. The absence of specific Master Lease payment appropriations, identified in an agency's capital budget, does not release an agency from lease payment obligations.

Sec. 9.08. **Alternative Fuels Finance Payments: Transfer and Appropriation.** The Texas Public Finance Authority (TPFA) may transfer each agency's pro rata share of administrative fees and finance payments pursuant to the alternative fuels finance program from each agency's appropriations made elsewhere in this Act to the TPFA alternative fuels finance program cost of issuance fund and the State Lease Fund Account, respectively. Transfers for administrative fees and lease payments may not be made earlier than 15 days prior to the date that debt service payment is required. The TPFA may transfer funds necessary for alternative fuels finance program debt service payments from the State Lease Fund Account to the TPFA alternative fuels finance program interest and sinking fund and is hereby appropriated all necessary amounts from those funds for payment of debt service associated with the program. Any reimbursements or payments received by the TPFA for services rendered under agreement with any political subdivision of the state participating in the alternative fuels finance program are hereby appropriated to the TPFA for debt service payments associated with the program.

Sec. 9.09. **State Owned Housing - Recover Housing Costs.**

(a) It is the intent of the Legislature that the General Land Office (GLO) shall contract for the determination of the fair market rental value of all housing provided to state employees by agencies required to report their housing. The GLO shall provide, to each state agency providing housing to employees, information regarding the fair market rental values. The GLO shall also provide the statewide total and agency totals to the Legislative Budget Board, the Governor’s Office of Budget and Planning, and the Comptroller.

(b) Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency before September 1, 1999, at least 20 percent of the established fair market rental value of its housing. Each agency required to report employee housing to the General Land Office shall recover, from persons first employed by the agency after August 31, 1999, at least 100 percent of the established fair market rental value of its housing. The recovered funds are hereby appropriated to the agency for its use.

(c) Agencies that provide employee housing shall report to the Legislature annually all employees who receive agency housing, the fair market rental value of housing supplied by the agency, and the amount of revenue recovered to meet the mandated goals.

(d) Unless specifically authorized by this Act, a person may not receive housing below the rate established by this section. Individuals authorized by this Act for reduced rate housing are absolutely critical to safe operation of a facility.

(e) Funds may not be expended to construct additional employee housing.

(f) When existing facilities are no longer suitable for employee housing, the agency should determine the feasibility of converting the use of housing or razing the structure before making repairs or updates.

(g) A person may not receive additional compensation in lieu of state-owned housing.

Sec. 9.10. **Cleaning Allowances.** A cleaning allowance is an allotment to help defray the cost of maintaining a uniform for certain state employees. A cleaning allowance authorized elsewhere in this Act for specific positions of employment is an authorization for the specific position and shall not transfer with an employee if that employee transfers to a position for which such reimbursement is not authorized.

Sec. 9.11. **Coordination of Tourism and Travel Promotion.** It is the intent of the Legislature that the Texas Commission on the Arts, the Texas Historical Commission, the Texas Department of Economic Development, the Texas Department of Parks and Wildlife, and the Texas Department of Transportation coordinate their efforts and spending related to tourism and travel promotion. These agencies shall develop, maintain and adhere to a memorandum of understanding that details the specific travel and tourism objectives and responsibilities of each agency and continues to provide interagency coordination and support to achieve the objectives.

Sec. 9.12. **Crash Records Information Systems.** The Department of Public Safety shall develop a plan on or before December 31, 2001 to create a modern Crash Records Information System from available appropriations. The specific purpose of this system will be to provide accurate and timely data to plan and analyze state and local efforts to reduce traffic accidents and fatalities. Once this plan is developed, it shall be submitted to the Legislative Budget Board and the Governor for approval. Upon approval, the Department of Insurance shall fund $2,000,000 over the biennium from the Insurance Companies Maintenance Tax and Insurance Department Fees. Upon approval, the Texas Department of Transportation shall fund $2,000,000 from available appropriations. The Departments of Public Safety, Transportation, and Insurance are authorized to enter into interagency contracts as needed to develop and implement this system.

Sec. 9.13. **Vehicle Fleet Management.** It is the intent of the Legislature that all state agencies and institutions shall adopt rules or policies to implement the State Vehicle Fleet Management Plan issued by the Office of Vehicle Fleet Management of the General Services Commission. In accordance with the State Vehicle Fleet Management Plan, the Office of Vehicle Fleet Management shall not grant a waiver for vehicle purchases for those agencies that have not adopted rules or procedures as required by Section 2171.1045, Government Code. It is the intent of the Legislature that agencies follow recommendations in the State Vehicle Fleet Management Plan regarding replacing state vehicles when

they reach 6 years (72 months) of service or 100,000 miles, whichever comes first. Circumstances may warrant exceptions to this policy based on economic factors for the state, as in the case of vehicles with excessive maintenance costs or unusually low maintenance costs. All state agencies and institutions must maintain detailed supporting documentation on their vehicle fleets and shall submit fleet data to the Office of Vehicle Fleet Management.

Sec. 9.14. **Training Programs Using the Internet.** To reduce costs, maximize efficiency, and minimize travel costs and other budget expense, it is the intent of the Legislature that state agencies and institutions of higher education use Internet-based training for state-mandated human resources training and other training programs if Internet-based training is available and appropriate. Not later than January 1, 2002, the Department of Information Resources shall report to the Legislature regarding the amount of training conducted by state agencies and institutions of higher education and on the use of Internet-based training by the agencies and institutions. The agencies and institutions shall timely provide the Department of Information Resources with information necessary to make the report.

Sec. 9.15. **Use the "Balanced Scorecard" Concept to Optimize Texas State Government Performance.** It is the intent of the Legislature that the Texas Education Agency, the Parks and Wildlife Department, and the Texas Department of Public Safety shall implement recommendation GP-2 (the balanced scorecard concept strategic management system for the use of performance measures) in the Comptroller's e-Texas report, Issue GP-2, in consultation with the Legislative Budget Board and the Governor's Office of Budget and Planning. Each agency shall continue to utilize such performance measures as the agency has previously maintained, but may for the purposes of implementing the balanced scorecard determine that new performance measures are needed. Each agency implementing this recommendation shall submit a brief report detailing its progress, experiences, and tentative results to the Legislative Budget Board and the Governor's Office of Budget and Planning not later than January 17, 2003.

PART 10. OTHER APPROPRIATIONS AND ADJUSTMENTS

Sec. 10.01. **Capital Construction Project: Legislative Services Office Building.** Any unexpended balances, as of August 31, 2001, remaining in the appropriation made by Section 9-11.01, Article IX, of House Bill 1, Seventy-sixth Legislature, Regular Session, 1999, are appropriated for the original purposes for the biennium beginning September 1, 2001.

Sec. 10.02. **Capital Construction Project: State Insurance Building.** Any unexpended balances, as of August 31, 2001, remaining in the appropriation made by Section 9-11.02, Article IX, of House Bill 1, Seventy-sixth Legislature, Regular Session, 1999, are hereby appropriated for the original purposes for the biennium beginning September 1, 2001. As provided by Section 9-11.02, Article IX, of House Bill 1, Seventy-sixth Legislative Session, 1999, the Texas Public Finance Authority may issue revenue bonds or other revenue obligations to finance the renovation of the old State Board of Insurance Building at an estimated project cost of $8,600,000. As provided by Chapter 1232, Government Code, in recognition that cost estimates are not final at the time that the project is authorized for financing and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs of the Authority and issuing expenses, the principal amount of any issuance of bond for this purpose may be in an amount not to exceed one and one-half the amount of the expected cost for the project being financed. From the proceeds of the issuance and sale of such bonds or obligations, such amounts as may be necessary to fund the associated costs of issuance are hereby appropriated to the Texas Public Finance Authority for the fiscal biennium beginning September 1, 2001. From the remaining proceeds of the issuance and sale of such bonds, such amounts as may be necessary to fund any costs relating to the renovation of the old

State Board of Insurance Building are hereby appropriated to the General Services Commission for the fiscal biennium beginning September 1, 2001. The capital project authorized in this section is not subject to limitations on capital budget expenditures included elsewhere in this Act. In addition to the appropriations made above, a not to exceed amount of $1,520,000 is appropriated in Article I of this Act for payment to the Texas Public Finance Authority for debt service payments on the revenue bonds or other obligations as authorized by this section.

Sec. 10.03. **Contingency Appropriation and Limitation on Expenditures: Temporary Assistance for Needy Families (TANF) Federal Funds**.

(a) For the biennium beginning September 1, 2001, in addition to sums appropriated elsewhere by this Act, the balance of all available TANF federal funds allocated to the State is hereby appropriated for the purposes for which the TANF block grant is made. In the event of an expenditure requirement related to fiscal penalties, caseload growth, or other program needs (such as meeting work participation targets or increasing the capacity to serve TANF recipients facing time-limited benefits), the funds appropriated by this provision may be expended and/or transferred as appropriate by the Single State Agency for TANF, subject to the written prior approval of the Governor and the Legislative Budget Board.

(b) The expenditure of TANF federal funds is hereby limited to those amounts specifically identified and appropriated by this Act, unless specific written approval is made by the Legislative Budget Board and the Office of the Governor.

Sec. 10.04. **Incentive and Productivity.**

(a) Net annual savings/revenues realized from employee suggestions implemented by a state agency under the provisions of Government Code, Chapter 2108, Subchapter B and rules promulgated by the Texas Incentive and Productivity Commission must be allocated by the state agency as follows:

(1) An amount not to exceed 10 percent of the annual net savings/revenues attributable to a suggestion implemented by a state agency shall be available for the payment of employee awards and shall be subject to the provisions of Government Code, Chapter 2108.

(2) An amount, equal to at least 90 percent of the original annual net savings/revenues from amounts appropriated to the agency in the fiscal year(s) in which the savings/revenues were realized, shall be retained by the agency for agency operations.

(b) The net savings/revenues realized in a fiscal year are to be considered encumbered by the agency implementing the suggestion for purposes of carrying out the allocation of funds listed in Subsection (a). The amounts encumbered shall be accounted for in the following manner:

(1) Upon implementation of an approved employee suggestion, an agency shall establish a Savings Measurement Account for that suggestion and transfer into this account the share of the projected net first-year savings/revenues attributable to the suggestion during that fiscal year. All balances in these accounts as of August 31, 2001, are appropriated for fiscal year 2002, and all balances in these accounts as of August 31, 2002 are appropriated for fiscal year 2003. At the beginning of the following fiscal year, the agency shall transfer into the Savings Measurement Account the remaining share of the projected net savings/revenues for each approved suggestion.

(2) At the conclusion of the implementation period for an approved and implemented suggestion, the amount of net savings/revenues certified by the agency and the Texas Incentive and Productivity Commission shall be compared with the balance in the Savings Measurement Account for that employee suggestion. If the certified net savings/revenue amount exceeds the balances in the Savings Measurement Account, the additional funds shall be derived from that agency's current year appropriations. If the certified net savings/revenue amount is less than the balance in the Savings Measurement Account, the excess amount deposited is available to the agency for expenditures in the current fiscal year for the same purposes as the original source appropriations. The certified net savings/revenues shall be transferred in accordance with Subsection (a).

(c) In the event that agencies identify statutory, federal or constitutional restrictions on the use of funds in accounts where savings/revenues were generated by approved employee suggestions, agencies are authorized to substitute other funding and appropriation sources for the 10 percent employee award portion under Subsection (a). All such substitutions for statutory, federal, or constitutional restrictions shall be reviewed and approved by the Comptroller before the substitution of 10 percent from other funds is adopted.

(d) The Comptroller and the Texas Incentive and Productivity Commission shall jointly develop rules for the above provisions of this section.

Sec. 10.05. **Contingency Appropriation Reduction.**

(a) In the event that it is necessary, in order to certify the appropriations in this Act, the Comptroller is authorized to reduce appropriations made by this Act out of the General Revenue Fund and general revenue dedicated accounts by the percentage that would be sufficient to certify that appropriations are within available revenue, while excluding appropriations exempted from the application of this section.

(b) The reductions required by this section do not apply to constitutionally dedicated funds; funds pledged for the payment of debt service; funds appropriated to the Employee Retirement System, the Teacher Retirement Fund, and the Foundation School Program; amounts necessary for salaries out of appropriations made in Article IV of this Act; appropriations made in Article XII of this Act; or to items of appropriations designated “estimated.”

(c) The Comptroller shall determine the amounts to be reduced pursuant to this section no later than October 1, 2001 and shall inform the Legislative Budget Board and the Governor as to the reduction amounts for each agency. The Comptroller shall also inform each state agency and institution affected by the reductions no later than October 15, 2001.

Sec. 10.06. **Emergency Contingency Reserve.** Contingent upon the Comptroller providing public notice to the Legislative Budget Board regarding, a finding of fact by the Comptroller (at the time of certification of this Act or after the certification of this Act) that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval of the Legislative Budget Board, the amount of $200,000,000 is hereby appropriated to the Comptroller, from the General Revenue Fund for the purpose of providing for the State's emergency or contingency needs. The emergency or contingency needs may include, but are not limited to, those related to youth and adult correctional

population, health and human services caseload and costs, and the Foundation School Program. The Comptroller shall transfer and release funds to the state agencies or institutions most able to meet the State's emergency or contingency needs as directed by the Legislative Budget Board and the Governor.

Sec. 10.07. **Appropriations from State Tax Revenue.** The appropriations from state tax revenue not dedicated by the Constitution for the 2002-03 biennium shall not exceed the Texas Constitution's Article VIII, § 22 limit of $51,106,635,283 established by the Legislative Budget Board pursuant to § 316.002, Government Code. The limit on appropriations that can be made for the 2002-03 biennium is subject to adjustments resulting from revenue forecast revisions or subsequent appropriations certified by the Comptroller to the 2000-01 biennial appropriations from state tax revenue not dedicated by the Constitution. The Comptroller may adjust the composition of fund and account balances without any net change in balances or change in appropriations so as to ensure compliance with the limit set forth in Article VIII, § 22 of the Texas Constitution.

Sec. 10.08. **Biennial Operating Plan and Information Resources Strategic Plan Approval.** It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology must have a current Biennial Operating Plan and Information Resources Strategic Plan approved by the Legislative Budget Board prior to expending any funds for information technology. Information Technology items identified in the Capital Budget Rider must be included and approved in the Biennial Operating Plan. The Legislative Budget Board may direct the Comptroller to deny the agency or institution of higher education access to information technology appropriations for non-compliance.

Sec. 10.09. **Information Technology Replacement.** It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology, including seat management, perform a cost-benefit analysis of leasing vs. purchasing information technology and develop a personal computer replacement schedule. Agencies and institutions of higher education should use the Department of Information Resources' (DIR) *Guidelines for Lease versus Purchase of Information Technologies* to evaluate costs and DIR's *PC Life Cycles: Guidelines for Establishing Life Cycles for Personal Computers* to prepare a replacement schedule. The use of West Texas Disaster Recovery Operations Center for seat management should also be evaluated.

Sec. 10.10. **State Agency Emergency Leases.** It is the intent of the Legislature that all emergency leases held by state agencies be eliminated over the course of the 2002-03 biennium. To assure for better planning on the part of state agencies and response from the General Services Commission Leasing Division, state agencies are directed to adhere to the following provisions:

(a) A state agency that is in an emergency lease agreement on September 1, 2001 shall have its appropriation in each fiscal year in which it is in the emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.

(b) At least one year before an agency's lease expires, an agency must notify the General Services Commission in writing of its intent to renew its existing lease or relocate its offices.

(c) If an agency fails to notify the General Services Commission in writing at least one year prior to a lease expiration, and is subsequently forced to initiate an emergency lease agreement, the agency shall have its appropriation in the each fiscal year in which it is in an emergency lease agreement reduced by the dollar amount charged to the agency in addition to its base level rent.

(d) If an agency notifies the General Services Commission in writing one year prior to a lease expiration in accordance with Chapter 2167, Government Code, and the General Services Commission fails to renew/initiate a lease agreement for the agency by the lease expiration date, and an agency is forced to initiate an emergency lease agreement, the General Services Commission shall have its appropriation reduced in each fiscal year in which the affected agency is in an emergency lease agreement by the dollar amount charged to the agency in addition to the agency's base level rent.

(e) The Comptroller of Public Accounts will make all necessary reductions established in this provision each month of an emergency lease agreement. Funds lapsed by agencies for violation of this provision shall be deposited into the fund in the State Treasury from which they were originally appropriated.

(f) Additionally, the General Services Commission shall provide quarterly reports to the Legislative Budget Board and the Governor's Office detailing the number of state agencies holding emergency leases, and providing the status on the progress of terminating the emergency lease agreement.

(g) In addition to the requirements of this section, emergency leases for health and human services agencies are also governed by Section 2167.004, Government Code.

(h) The Department of Agriculture is exempted from the provisions of this section.

Sec. 10.11. **Health Insurance Portability and Accountability Act (HIPAA):** It is the intent of the Legislature that the Health and Human Services Commission's National Data Interchange Standards (NDIS) Task Force develop, with the help of the Comptroller of Public Accounts, the Texas Higher Education Coordinating Board and affected institutions, and the Texas Office of the Attorney General, a plan to integrate the provisions established by HIPAA for the following agencies which handle health related information: Texas Department of Criminal Justice, Employees Retirement System of Texas, Texas Department of Health, Texas Health Care Information Council, Texas Health and Human Services Commission, Texas Department of Human Services, Texas Higher Education Coordinating Board, Texas Department of Information Resources, Texas Department of Insurance, Texas Department of Mental Health and Mental Retardation, Teacher Retirement System of Texas, Texas State Office of Risk Management, Texas Workers' Compensation Commission and any other agencies that the Health and Human Services Commission determines to be affected by HIPAA. The plan shall include an analysis of HIPAA's financial impact on each state agency as well as the state's overall progress in implementing HIPAA. A copy of the plan shall be submitted to the Governor, the Lieutenant Governor, Members of the Texas Senate, Members of the House of Representatives and the Legislative Budget Board no later than September 1, 2002 with an addendum updating the progress of implementation due to the same entities by January 5, 2003.

Sec. 10.12. **Appropriation for a Salary Increase.**

(a) As used in this section, 'salary increase' shall mean a 4% increase in annual salary with a minimum of $100 per month increase in salary.

(b) The Comptroller of Public Accounts is hereby appropriated an amount estimated to be $169,036,471 out of the General Revenue Fund, an amount estimated to be $22,682,459 out of General Revenue - Dedicated, and an amount estimated to be $131,510,143 out of other funds and accounts to fund a salary increase described in Subsection (a) of this Section for employees of state agencies, including employees of the Higher Education Coordinating Board, as such a salary increase is reflected in the salary rates authorized elsewhere in this Act.

(c) Non-Faculty Employees at Institutions of Higher Education.

(1) The Comptroller of Public Accounts is hereby appropriated an amount not to exceed $89,892,160 out of the General Revenue Fund and an amount estimated to be $67,676,380 out of General Revenue-Dedicated, and an amount estimated to be $30,587,223 out of other funds and accounts to provide for a salary increase as described in Subsection (a) of this Section for the non-faculty employees of institutions of higher education who have been employed by the state as described below in Subsection (i).

(2) This section authorizes an increase in salary for county extension agents.

(3) It is the intent of the Legislature that this salary increase shall apply to all personnel at an institution, other than employees paid under expenditure code 7008 (Higher Education Salaries - Faculty/Academic Employees) and expenditure code 7009 (Higher Education Salaries - Faculty/Academic Equivalent Employees) as listed in the Comptroller Manual of Accounts.

(4) This section shall not apply to employees of public/junior colleges.

(5) Except for salary increases for contract employees, as described below in (6), and notwithstanding other provisions of this Section, it is the intent of the Legislature that the General Revenue amounts appropriated under this Subsection (c) are sufficient to fund 50% of the cost of the increase in salaries and benefits paid from funds held within the state treasury.

(6) Funds appropriated by subsection (c) shall be apportioned between the various institutions of higher education based on the increases to salaries as authorized by this subsection (c) of non-faculty employees of institutions of higher education and contract employees described in this subsection. This apportionment shall be determined by the Comptroller. Included within the General Revenue Fund appropriation in subsection (c) are funds to be apportioned among the Department of Criminal Justice, the Texas Youth Commission and the Department of Mental Health and Mental Retardation to be applied only to the salary increase for employees of the University of Texas Medical Branch at Galveston, the Texas Tech University Health Sciences Center, and the University of Texas Health Sciences Center at Houston whose salaries are paid out of interagency contracts receipts from contracts for the provision of inmate health care or psychiatric services.

(d) This section shall not apply to statewide elected officials, justices and judges of the appellate and district courts, district attorneys, criminal district attorneys, county attorneys performing the duties of a district attorney, or the compensatory per diem of board or commission members.

(e) Any increase in employee benefits costs associated with the salary increase as described above shall be paid only out of the appropriations made above in subsections (b) and (c).

(f) Provisions requiring salaries and benefits to be proportional to the source of funds shall apply to all sums allocated under this section, except as otherwise provided. Each agency shall pay the increase in compensation from funds held in the state treasury and from local funds in the same proportion as the employee's regular compensation.

(g) The Comptroller of Public Accounts shall promulgate rules and regulations as necessary to administer this section. Funds appropriated in this section shall be allocated to each agency, and to the appropriate employee benefit appropriation items, in accordance with such rules and regulations and may be used only for the purpose of providing a salary increase and paying associated employee benefit costs. The Comptroller and the Legislative Budget Board may work together to determine allocations concerning the salary increase contained in subsection (c).

(h) This section does not authorize an increase of classified salary rates or exempt salary rates above the rates listed in the applicable schedule in this Act.

(i) In order to receive the salary increase described in Subsection (a) of this Section, any employee must meet the following requirements:

(1) An employee employed by the state for at least twelve (12) continuous months prior to September 1, 2001 is eligible for the salary increase on September 1, 2001.

(2) An employee who is not employed for twelve continuous months prior to September 1, 2001, and who begins work with the state prior to March 1, 2002 is eligible for the salary increase on September 1, 2002.

(3) An employee who begins work with the state between March 1, 2002 and August 31, 2002 is eligible for the salary increase on March 1, 2003.

(4) For non-faculty employees of institutions of higher education described in subsection (c) "twelve continuous months" for a particular position, as used in this subsection, may be calculated by including any months during which the position does not exist due to an institution's academic schedule (i.e. summer break and/or winter breaks).

(j) (1) It is the intent of the Legislature that the salary schedules reflecting the salary increase shall become the regular salary schedules as of September 1, 2003, and the increase shall also become part of the salary structure for institutions of higher education.

(2) Notwithstanding Subdivision (1) of this Subsection (j), if the Comptroller certifies sufficient revenue under Section 10.13 of this Article, the salary schedules created as a result of that certification shall become the regular salary schedules as of September 1, 2003 and the increase shall also become part of the salary structure for institutions of higher education.

(k) Funds appropriated in this Section for the salary increase may not be used to fund a salary increase for the following groups:

(1) At the Texas Department of Criminal Justice:
(A) Correctional Officer series; and Ranking Staff (Sergeants, Lieutenants, Captains, and Majors)
(B) Laundry Managers and Food Service Managers
(C) Parole Officer series, Case Managers series, Caseworker series, and Human Service Tech series

(2) At the Texas Youth Commission:
Juvenile Correctional Officers series

(l) Longevity Pay

(1) In addition to the amounts appropriated above, an amount estimated to be $32,014,918 out of the general revenue fund, an amount estimated to be $3,506,905 out of general revenue dedicated, and an amount estimated to be $24,375,324 out of other funds and accounts is appropriated to the Comptroller of Public Accounts to provide employees of state agencies entitled to longevity pay with longevity pay at the rate of $20 per month for each three years of lifetime service credit, contingent on the passage of appropriate legislation.

(2) In addition to the amounts appropriated above, an amount not to exceed $17,577,785 out of general revenue, an amount estimated to be $3,055,135 out of general revenue dedicated, and an amount estimated to be $882,117 out of other funds and accounts is appropriated to the Comptroller of Public Accounts to provide employees at institutions of higher education entitled to longevity pay with longevity pay at the rate of $20 per month for each three years of lifetime service credit, contingent on the passage of appropriate legislation.

(3) The appropriations made in this subsection also include amounts to pay for associated benefits.

(m) Agencies subject to the Article VIII special provisions rider "Appropriations Limited to Revenue Collections" shall increase revenues as necessary to cover the increased salary amounts appropriated above. It is estimated that the aggregate amount including benefits will be $10,260,000. Of this amount, approximately $1,045,000 in benefits is already included in the Other Direct and Indirect Costs informational item for such agencies.

Sec. 10.13. **Contingent Appropriation for a Salary Increase.** Contingent on the Comptroller certifying that sufficient revenue is available for fiscal year 2003 the following appropriations are made for the purposes specified:

(a) The Comptroller of Public Accounts is hereby appropriated an amount estimated to be $63,384,791 out of the General Revenue Fund, an amount estimated to be $8,344,306 out of General Revenue - Dedicated Funds, and an amount estimated to be $49,545,516 out of other funds and accounts to fund a salary increase as described in Subsection (a)(1) for employees of state agencies who have been employed by the State for twelve (12) continuous months as of September 1, 2002, including employees of the Higher Education Coordinating Board, as such a salary increase is reflected in the salary rates authorized elsewhere in this Act.

(1) As used in this subsection, 'salary increase' for employees classified under Schedule B shall mean a 3% increase in annual salary with a minimum of $65 per month increase in salary, effective September 1, 2002. 'Salary increase' for employees classified under

Schedules A and C shall mean a $65 per month increase in salary beginning September 1, 2002.

(2) This Section shall not apply to statewide elected officials, justices and judges of the appellate and district courts, district attorneys, criminal district attorneys, county attorneys performing the duties of a district attorney, or the compensatory per diem of board or commission members.

(3) Any increase in employee benefits costs associated with the salary increase in this Subsection (a) shall be paid only out of the appropriations made in Subsection (a).

(b) Non-faculty employees at institutions of higher education.

(1) The Comptroller of Public Accounts is hereby appropriated an amount not to exceed $32,636,975 out of the General Revenue Fund and an amount estimated to be $24,281,302 out of General Revenue-Dedicated Funds, and an amount estimated to be $2,168,918 out of other funds and accounts to provide for a salary increase of 3 percent increase in annual salary with a minimum of $65 per month, effective September 1, 2002 for the non-faculty employees of institutions of higher education who have been employed by the state for twelve (12) continuous months as of September 1, 2002.

(2) This section authorizes an increase in salary for county extension agents.

(3) This section shall not apply to employees of public/junior colleges.

(4) Any increase in employee benefits costs associated with the salary increase in this subsection shall be paid only out of the appropriations made in this subsection.

(5) It is the intent of the Legislature that this salary increase shall apply to all personnel at an institution of higher education, other than employees paid under expenditure code 7008 (Higher Education Salaries - Faculty/Academic Employees) and expenditure code 7009 (Higher Education Salaries - Faculty/Academic Equivalent Employees) as listed in the Comptroller Manual of Accounts.

(6) Except for salary increases for contract employees, as described below in (7), and notwithstanding Subsection (c) below, it is the intent of the Legislature that the General Revenue amounts appropriated under this Subsection (b) are sufficient to fund 50% of the cost of the increase in salaries and benefits paid from funds held within the state treasury.

* (7) Funds appropriated by subsection (c) shall be apportioned between the various institutions of higher education based on the increases to salaries authorized by this subsection of non-faculty employees of institutions of higher education and contract employees described in this subsection. This apportionment shall be determined by the Comptroller. Included within the General Revenue Fund appropriation in subsection (c) are funds to be apportioned among the Department of Criminal Justice, the Texas Youth Commission and the Department of Mental Health and Mental Retardation to be applied only to the salary increase for employees of the University of Texas Medical Branch at Galveston, the Texas Tech University Health Sciences Center, and the University of Texas Health Sciences Center at Houston whose salaries are paid out of interagency contracts receipts from contracts for the provision of inmate health care or psychiatric services.

*Should read “(b).”

(8) In this subsection, "twelve continuous months" for a particular position may be calculated by including any months during which the position does not exist due to an institution's academic schedule (i.e. summer breaks and/or winter breaks).

(c) Provisions requiring salaries and benefits to be proportional to the source of funds shall apply to all sums allocated under this section. Each agency shall pay the increase in compensation from funds held in the state treasury and from local funds in the same proportion as the employee's regular compensation.

(d) The Comptroller of Public Accounts shall promulgate rules and regulations as necessary to administer this section. Funds appropriated by this section shall be allocated to each agency, and to the appropriate employee benefit appropriation items, in accordance with such rules and regulations and may be used only for the purpose of providing a salary increase and paying associated employee benefit costs. The Comptroller and Legislative Budget Board may work together to determine the allocations concerning the salary increase for non-faculty employees at institutions of higher education.

(e) This section does not authorize an increase of classified salary rates or exempt salary rates above the rates listed in the applicable schedule in this Act.

(f) Funds appropriated above may not be used to provide salary increases to the following positions:

(1) Texas Department of Criminal Justice;
(A) Correctional officer series; and Ranking Staff (including Sergeants, Lieutenants, Captains, and Majors);
(B) Laundry Managers and Food Service Managers;
(C) Parole Officer series, Case Managers series, Caseworker series, and Human Service Tech series; and

(2) Texas Youth Commission, Juvenile Correctional Officers series.

(g) An employee is eligible for a salary increase as described in this section only if the employee is eligible for a salary increase under Section 10.12 of this Article.

Sec. 10.14. **Targeted Pay Raises:**

(a) In addition to amounts appropriated elsewhere in this Act, $5.1 million out of the general revenue fund and general revenue dedicated funds and $2.7 million out of federal funds is hereby appropriated to the Comptroller of Public Accounts for benefits for the targeted pay raises described below. This appropriation does not include benefits for Texas Department of Criminal Justice and Texas Youth Commission targeted pay raises.

(b) Appropriations made elsewhere in this Act for targeted pay raises may not be used for any purpose other than funding pay raises for the following positions at the following agencies:

OTHER APPROPRIATIONS AND ADJUSTMENTS
(Continued)

Agency and Positions	Amounts Appropriated Elsewhere in this Act
Department of Mental Health and Mental Retardation	$ 17,208,320
Services Series	
Department of Protective and Regulatory Services	$ 11,700,000
Protective Services Specialist I-V	
State Law Library	$ 20,592
Librarian	
Texas Department of Criminal Justice	$ 103,587,860
Correctional Officer Series	
Sergeants	
Lieutenants	
Captains	
Majors	
Caseworker II	
Parole Officer I-V	
Human Services Tech V	
Case Manager I - IV	
Food Service Manager II & III	
Laundry Manager II & III	
Texas Youth Commission	$ 16,424,664
Juvenile Correctional Officers I-VI	
Juvenile Probation Commission	$ 20,456,596
Juvenile Probation Officers	
Juvenile Detention/Correctional Officers	
(funding to be distributed thru JPC)	
Texas Natural Resource Conservation Commission	$ 1,950,000
Engineering Specialist I	
Budget Analyst III, IV	
Engineer II, IV	
Geologist IV	
Accountant II - IV	
Natural Resource Specialist IV & VI	
Attorney II & III	
Railroad Commission	$ 1,865,000
Any Positions	
Department of Agriculture	$ 1,000,000
Any Positions	
Texas Water Development Board	$ 38,355
Financial Examiner Series	
Department of Banking	$ 2,400,000
Directors	
Financial Examiners Series	
Office of Consumer Credit Commissioner	$ 229,260
Financial Examiners Series	
Savings and Loan Department	$ 41,136
Financial Examiners Series	
Credit Union	$ 300,000
Financial Examiners Series	

Department of Insurance	$	1,269,797
Financial Examiners Series		
Texas Worker's Compensation Commission	$	46,528
Financial Examiners Series		
Securities Board	$	240,060
General Counsel		
Legal Assistant		
Programmer		
Network Specialist		
System Specialist		
Manager		
Attorney		
Investigator		
Auditor		

Sec. 10.15. **Distribution of Settlement Proceeds: Nine West Group.** It is the intent of the Legislature that the Office of the Attorney General structure the distribution of the settlement proceeds resulting from the *State of Florida, et al. v. Nine West Group, Inc. and John Does 1-500* ("Nine West Settlement") entered into by the Office of the Attorney General as follows:

(1) $300,000 to be deposited to the credit of the Basic Civil Legal Services Account in the Judicial Fund No. 573, to be appropriated as provided for elsewhere in this Act;

(2) $100,000 to be deposited to the credit of the general revenue fund to be appropriated as provided elsewhere in this Act to the Texas Workforce Commission for the purpose of making a one-time grant to Links, Inc.;

(3) the remainder of the money received from this settlement in the amount of $1,900,000 plus any interest earnings, is to be deposited to the credit of the General Revenue Fund to be appropriated as provided elsewhere in this Act to the Texas Workforce Commission for the purpose of providing a one time grant to Dress for Success-Houston to set up an endowment.

It is also the intent of the Legislature that funds received from the settlement may only be used for purposes that comply with the terms of the settlement.

* Sec. 10.16. **Contingent Reduction Items.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act that sufficient revenue is not available from the General Revenue Fund and special funds to certify the General Appropriations Act, the following amounts are hereby reduced, in priority order, from the listed entities:

(a) Ten percent of Special Items for Institutions of Higher Education on a prorated basis.
(b) Twenty-five percent of tuition revenue bond debt service authorized by the Seventy-seventh Legislature under Section 10.19 of this Article for Institutions of Higher Education on a prorated basis, excluding commitments made under the Office of Civil Rights agreement.
(c) Twenty percent of General Revenue and General Revenue related Capital Budget Funding for all agencies, on a prorated basis.

The reduction authorized herein shall be implemented among the listed entities and items by the Comptroller of Public Accounts based on the amounts, timing, or other information to be determined by the Legislative Budget Board following the Comptroller's finding of fact. The provisions in this

*See Veto Proclamation.

section are to be implemented prior to the action authorized under Section 10.05. "Contingency Appropriation Reduction" of Article IX of this Act. It is the intent of the Legislature that items reduced above be funded prior to any other contingency appropriations listed in this Act.

* Sec. 10.17. **Additional Appropriations Priorities Contingent on Availability of Revenue.** Contingent on the Comptroller certifying that sufficient revenue is available the following appropriations are made for the purposes specified:

* (a) First, it is the intent of the Legislature that the Comptroller shall use any additional revenue to restore appropriation reductions previously made pursuant to Section 10.16 of this Article in the following order:

(1) it is the intent of the Legislature that the Comptroller shall restore any previous appropriation reductions made from the General Revenue and General Revenue related capital budget funding for all agencies on a prorated basis;

(2) after making any restoration as directed under Subdivision (1) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to tuition revenue bond debt service;

(3) after making any restorations as directed under Subdivision (1) of this Subsection (a) and (2) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to the Special Items for Institutions of Higher Education on a prorated basis; and

(4) after making any restorations as directed under Subdivision (1) of this Subsection (a), and then Subdivision (2) of this Subsection (a), and then Subdivision (3) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any across the board appropriation reductions made pursuant to Sections 10.05 or 10.16 of this Article;

(b) Second, after restoring any reductions as provided under Subsection (a) of this Section any additional revenue is appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act;

(c) Third, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section any additional revenue is appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;

(d) Fourth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior

*See Veto Proclamation.

college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section any additional revenue is appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article;

(e) Fifth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section any additional revenue is appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article;

* (f) Sixth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section any additional revenue is appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;

(g) Seventh, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section there is appropriated any additional revenue to fund employee salary increases under Section 10.13 of this Article;

*See Veto Proclamation.

* (h) Eighth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this section there is appropriated any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act; and

(i) Ninth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated as provided to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this Section and funding any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act as provided under Subsection (h) of this Section there is appropriated to the Comptroller revenue sufficient to fund the emergency contingency reserve under Section 10.06 of this Article.

Sec. 10.18. **Appropriation for House Bill 1839.** Contingent upon the passage of House Bill 1839, or similar legislation relating to research and excellence funding at certain institutions of higher education, there is hereby appropriated $33,774,000 plus any reallocation of funds in a manner established by House Bill 1839.

*See Veto Proclamation.

Sec. 10.19. **House Bill 658.** Contingent upon the enactment of House Bill 658 or similar legislation relating to the authorization of the issuance of tuition revenue bonds, $76,423,392 is hereby appropriated out of the General Revenue Fund for the 2002–03 biennium for debt service of those bonds.

Sec. 10.20. **Appropriation Transfers: Billings for Statewide Allocated Costs.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 2071, or similar legislation relating to billings to state agencies for the costs of support services allocated to agencies under the statewide cost allocation plan which implements *e-Texas Issue AFM-3*, the Comptroller of Public Accounts shall transfer appropriations made to state agencies and institutions of higher education by this Act to the General Revenue Fund, under Articles I-VIII of this Act, in amounts which total $16,560,000 each year of the biennium.

At least thirty days prior to making transfers of agency appropriations to the General Revenue Fund pursuant to this provision, the Comptroller of Public Accounts is hereby directed to develop and prepare a plan of reductions and notify the Legislative Budget Board and Governor of the amounts proposed for reduction by each agency. The Comptroller of Public Accounts is hereby directed to implement ths legislation no later than October 15, 2001.

Sec. 10.21. **Appropriation for House Bill 1475.** Contingent upon enactment of House Bill 1475 or similar legislation relating to the establishment of a Master Technology Teacher grant program, the State Board for Educator Certification is hereby appropriated $503,000 out of the Telecommunications Infrastructure Fund in fiscal year 2002 and the unexpended balance in fiscal year 2003 for Master Technology Teacher certification standards and test development. In addition, the number of full-time equivalent employees is increased by one for each year of the biennium. The agency shall seek federal funds to finance the cost of certification standards and test development. Any federal funds received by the agency shall be used to reduce the aforementioned appropriation out of the Telecommunications Infrastructure Fund.

Sec. 10.22. **Sale of State Property to the Permanent School Fund.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3558, or similar legislation relating to the sale and purchase of interests in real property for the Permanent School Fund, the General Land Office shall sell state real property to be purchased by the Permanent School Fund in a minimum amount of $150 million. The proceeds of the sale shall be placed in the General Revenue Fund.

Sec. 10.23. **Contingent Appropriation for House Bill 2976.** Contingent upon enactment of House Bill 2976, or similar legislation relating to the establishment of an allocation program for the funding of workers' compensation, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Comptroller of Public Accounts shall reduce appropriations to the State Office of Risk Management, Workers' Compensation Payments in A.1.1., Strategy: Workers' Compensation Payments, in the amount of $1,700,000 in general revenue on or before August 31, 2003, upon notification and prior written approval of the Legislative Budget Board and the Governor.

The funds appropriated to Strategy A.1.1, Workers' Compensation Payments, will be redistributed by the Comptroller of Public Accounts, based upon information provided by the State Office of Risk Management, to participating agencies to fund the additional general revenue costs of the agencies' workers' compensation related annual assessments.

Notwithstanding other provisions in this Act, participating agencies shall transfer to the State Office of Risk Management their assessed allocation amounts for worker's compensation coverage for their employees from funding in the same proportion as their expected payroll funding. All funds recovered by the State Office of Risk Management from third parties by way of subrogation are appropriated to the State Office of Risk Management to be used for the payment of workers' compensation benefits to state employees and shall be retained in Strategy A.1.1, Workers' Compensation Payments, in whole for that purpose.

Amounts not to exceed 2 percent in total of workers' compensation annual expenditures may be awarded to participating agencies by the State Office of Risk Management for the purposes of risk management and loss prevention. In the event that Strategy A.1.1, Workers' Compensation Payments, funded by the annual assessments to participating agencies, exceeds 110 percent of the expected annual payments, the excess over 110 percent will be returned to General Revenue Fund. An excess of 10 percent or less will be used to lower the cumulative assessments the following year.

In the event the total assessments in any year prove insufficient to fund expenditures, the State Office of Risk Management may temporarily utilize additional general revenue in an amount not to exceed 20 percent of the cumulative assessments for that year. Any additional general revenue funds will be utilized only for the purpose of temporary cash flow and must be repaid upon receipt of the following year's assessments in accordance with procedures established by the Comptroller. All transfers from and repayments to the General Revenue Fund shall be reported by the State Office of Risk Management to the Legislative Budget Board.

Sec. 10.24. **Contingency Appropriation for Senate Bill 638.** Contingent upon the enactment of Senate Bill 638 or similar legislation relating to the taking of a specimen from a person arrested for, charged with or convicted of certain offense for the purpose of DNA analysis, and creating a court cost with revenue deposited into the Criminal Justice Planning Account No. 421, all revenue remitted to the state and deposited into the Criminal Justice Planning Account No. 421 pursuant to Article 102.020(h), Code of Criminal Procedure is hereby appropriated to Trusteed Programs within the Office of the Governor, Strategy A.1.4, Criminal Justice, for grants to local law enforcement agencies

Also, contingent upon the enactment of Senate Bill 638 or similar legislation relating to the taking of a specimen from a person arrested for, charged with or convicted of certain offense for the purpose of DNA analysis, and creating a court cost with revenue deposited into the State Highway Fund, the Department of Public Safety is hereby appropriated from the State Highway Fund, $271,466 each fiscal year of the biennium. Also contingent upon the enactment of Senate Bill 638 or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Department of Public Safety's bill pattern is hereby increased by 1.5 each fiscal year of the biennium.

Sec. 10.25. **School Land Board Acquisition of Land, Buildings, or Facilities.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3558, or similar legislation relating to the sale, lease and purchase of interests in real property for the Permanent School Fund, if the School Land Board (SLB) acquires land, buildings, or facilities that are currently occupied by a state agency and, with the consent of the SLB, the agency continues to occupy the building or facility, all maintenance and upkeep of the buildings and premises shall be funded from appropriations provided for the maintenance of the building, facility or premises as set forth elsewhere in this act. The SLB may retain an amount equal to 3.5% of the purchase price, for each year of the biennium that the agency uses the land, building or facility pro-rated on a monthly basis. The funds retained shall be deposited as rental into the Available School Fund.

Sec. 10.26. **Contingency for House Bill 3309.** Contingent upon the enactment of House Bill 3309, Seventy-Seventh Legislature, Regular Session, or similar legislation relating to the creation of a Southeast Texas Biotechnology Park, it is the intent of the Legislature that the General Land Office and School Land Board evaluate and consider the purchase or lease of improved and unimproved property, and/or the construction of infrastructure and other site development for the proposed Southeast Texas Biotechnology Park to be located in the area of the Texas Medical Center in Houston as an investment for the Permanent School Fund for lease at fair market value to a non-profit corporation composed of public and private health and related institutions created for this purpose. For purposes of this evaluation, infrastructure and site development may include demolition, landscaping, parking, and roadway construction, and the replacement, installation, or improvement of water retention and drainage systems and utilities, including water and wastewater, electrical, and telecommunications facilities.

Sec. 10.27. **Prioritizing Purchase of Agency Land.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3558, or similar legislation relating to the sale, lease and purchase of interests in property for the Permanent School Fund, and in order to serve the best interests of both the Permanent School Fund and the State of Texas, it is the intent of the legislature that, out of the funds appropriated to the Trusteed Program for the Management of State Land in the General Land Office for the purchase of land for the Permanent School Fund, the School Land Board shall give a high priority to the purchase of agency land that has been identified as underutilized by the Asset Management Division with the highest priority to be given to those agencies that have appropriations contingent on the sale of agency land.

Sec. 10.28. **Marketing and Disposition of Agency Lands Purchased by the Permanent School Fund Land.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3558, or similar legislation relating to the sale, lease and purchase of interests in real property for the Permanent School Fund, the General Land Office is hereby appropriated from funds generated by the leasing of permanent school fund land surface interests all funds necessary to pay any third party costs incurred by the General Land Office for the marketing and disposition of agency lands purchased by the permanent school fund.

Sec. 10.29. **Contingency Rider House Bill 1691.** Contingent upon the enactment of House Bill 1691, Seventy-seventh Legislature, Regular Session, or similar legislation relating to the Texas Council on Purchasing from People with Disabilities, in addition to amounts appropriated above, the General Services Commission or its successor agency is hereby appropriated revenue collected in an amount not to exceed $225,000 out of Appropriated Receipts generated by the Texas Council on Purchasing from People with Disabilities (Council) for the 2002-03 biennium to carry out the Council's duties and allow the Council to establish an advisory committee. The "Number of Full-time Equivalent Positions (FTEs)" figure indicated above is increased by 2.0 in each fiscal year of the biennium. It is the intent of the Legislature that the 2.0 FTEs each year are designated in Strategy A.1.1, Centralized Purchasing to carry out the duties of the Council.

Sec. 10.30. **Contingency Appropriation: Senate Bill 311.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of Senate Bill 311, or similar legislation relating to the abolition of the State General Services Commission; to the transfer of its functions to a newly created Texas Procurement Commission, the Department of Information Resources, and a newly created Texas Building Commission; and to the operations of certain other state agencies having functions transferred from or associated with the commission, including the Telecommunications Planning and Oversight Council, the Attorney General, and the State Cemetery Committee the following changes to appropriations and limitations provided herein shall be made to the General Appropriations Act for the 2002-03 biennium.

The "Number of Full-Time Equivalents Positions" (FTEs) shall be increased at the Department of Information Resources, the State Preservation Board and the Texas Procurement Commission by an amount equal to the number of employees transferred from the General Services Commission.

Department of Information Resources: All functions and activities; all employees, including employees who provide administrative support; all money, contracts, leases, rights, and obligations; all property, including records and all funds appropriated by the Seventy-seventh Legislature, Regular Session, to the General Services Commission for purposes related to providing telecommunication services for state government or to the establishment of the electronic procurement marketplace or the electronic commerce network, including funds for providing administrative support for those services such as funds to pay the salary of employees who provide the administrative support, under Chapters 2170 and 2177, Government Code, or other law are transferred to the Department of Information Resources.

State Preservation Board: All functions and activities; all employees, including employees who provide administrative support; all money, contracts, leases, rights, and obligations; all property, including records and all funds appropriated by the Seventy-seventh Legislature, Regular Session, to the General Services Commission for purposes related to state buildings, grounds, and property, other than matters related to the purchase to the purchase of goods or to the disposition of surplus or salvage property, or related to building construction and acquisition for state government, including funds for providing administrative support for those activities such as funds to pay the salary of employees who provide the administrative support, under Chapters 2165-2167 and 2176, Government Code, or other law are transferred to the State Preservation Board to be used to administer the functions of the Texas Building Commission.

Texas Procurement Commission: All functions and activities; all employees, including employees who provide administrative support; all money, contracts, leases, rights, and obligations; all property, including records and all funds appropriated by the Seventy-seventh Legislature, Regular Session, to the General Services Commission for purposes related to the purchase of goods and services for the state, other than services relating to the construction, repair, acquisition, maintenance, or charge and control of real property, to the disposition of surplus or salvage property, or other miscellaneous powers and duties under Chapters 552, 2155-2158, 2161, 2171, 2172, 2175, and 2177, Government Code, or other law are transferred to the Texas Procurement Commission.

Sec. 10.31. **Contingency Appropriation for House Bill 2164.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session of House Bill 2164, or similar legislation relating to the sale of Woodlawn, the State Preservation Board is hereby appropriated all proceeds deposited into the Capital Renewal Trust Fund in accordance with § 443.025, Government Code, estimated to be $4,600,000 in fiscal year 2002 from Appropriated Receipts. Funds appropriated herein may be used for the purpose of maintaining and preserving the Capitol, the General Land Office Building, their contents, and their grounds.

Sec. 10.32. **Contingency Appropriation for Senate Bill 1175.** The following provisions are contingent upon enactment of Senate Bill 1175, or similar legislation which transfers the weather modification permitting program from the Texas Natural Resource Conservation Commission to the Texas Department of Licensing and Regulation, by the Seventy-seventh Legislature, Regular Session:

(a) Effective September 1, 2001, $45,369 each fiscal year in appropriations made out of the General Revenue Fund shall be transferred from the Texas Natural Resource Conservation Commission Strategy A.1.2, Water Resource Permitting, to the Texas Department of Licensing and Regulation, for use in Strategy A.1.1, License/Register/Certify.

(b) Accordingly, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in Article VI for the Texas Natural Resource Conservation Commission is hereby decreased by 0.5 each fiscal year, and the "Number of Full-time Equivalent Positions (FTE)" figure indicated in Article VIII for the Texas Department of Licensing and Regulation is hereby increased by 0.5 each fiscal year of the biennium.

Sec. 10.33. **Contingency Appropriation for Senate Bill 716.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session of Senate Bill 716, or similar legislation relating to programs to promote agriculture and economic development in rural areas of this state, the Texas Department of Agriculture is hereby appropriated the interest earnings transferred from the Young Farmer Loan Guarantee Account No. 5002 to the Texas Agricultural Fund No. 683. Funds appropriated herein may be used for the purposes authorized by Section 58.023 (d) of this Act.

Sec. 10.34. **Contingency Appropriation for House Bill 1203.** Contingent upon the enactment of House Bill 1203, or similar legislation relating to the purchase of certain insurance coverage by state agencies and to workers' compensation insurance benefits provided by certain state agencies, by the Seventy-seventh Legislature, Regular Session, the State Office of Risk Management is hereby appropriated $610,000 for fiscal year 2002 and $610,000 for fiscal year 2003 to Strategy A.1.1, Risk Management Program, in Interagency Contracts. Also contingent on the enactment of House Bill 1203, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 12 for fiscal year 2002 and by 12 for fiscal year 2003.

Sec. 10.35. **Contingency Appropriation for House Bill 892.** Contingent upon the enactment of House Bill 892, or similar legislation relating to the sale and promotion of certain agricultural products produced by wineries, by the Seventy-seventh Legislature, Regular Session, the Alcoholic Beverage Commission is hereby appropriated $250,000 for fiscal year 2002 and $250,000 for fiscal year 2003 out of the General Revenue Fund for the purpose of transferring those funds to the Department of Agriculture to be used by the department to implement the Texas Wine Marketing Assistance Program. Also, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated in the Department of Agriculture is hereby increased by 1.0 each fiscal year of the biennium, and the travel cap for the Department of Agriculture is hereby increased by an amount not to exceed $5,000 each fiscal year for authorized travel expenditures outside the state of Texas made by or on behalf of the Texas Wine Marketing Assistance Program This appropriation is also contingent upon the Alcoholic Beverage Commission increasing fees and surcharges, during the 2002-03 biennium, pursuant to §5.50 of the Alcoholic Beverage Code, by $500,000 and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of act that the increased revenues are estimated to be available in excess of the Comptroller's Biennial Revenue Estimate, including supplemental estimates used in certifying this Act, to fund the increased appropriations and benefits. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Sec. 10.36. **Contingency Rider Senate Bill 311.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of Senate Bill 311, or similar legislation relating to the continuation and functions of the General Services Commission and pursuant to e-Texas Reports CG-5 (Use of Reverse Auctions), CG-9 (Statewide Contract Management), and AFM-11 (State Surplus Property) recommendations, the Comptroller of Public Accounts is hereby directed to reduce the appropriations made by this Act by the following amounts:

(a) General Revenue Fund by $3,855,000 in fiscal year 2002 and by $23,500,000 in fiscal year 2003;
(b) General Revenue-Dedicated Funds by $2,240,000 in fiscal year 2003;
(c) Other Funds by $55,000 in fiscal year 2002 and by $3,275,000 in fiscal year 2003.

The Comptroller of Public Accounts shall identify the agencies and accounts from which these appropriations shall be reduced and submit an implementation plan to the Governor and the Legislative Budget Board not later than October 1, 2002. In the event that the Comptroller of Public Accounts determines that certain savings cannot be achieved, the Comptroller of Public Accounts shall notify the Governor and the Legislative Budget Board.

Sec. 10.37. **Contingency Appropriation for House Bill 3667.** Contingent upon enactment of House Bill 3667 by the Seventy-seventh Legislature, Regular Session, or similar legislation relating to assistance to certain volunteer fire departments and to the imposition of a tax to finance that assistance, the Texas Forest Service is hereby appropriated $413,000 for fiscal year 2002 and $434,000 for fiscal year 2003 out of additional revenues collected pursuant to House Bill 3667 for the purpose of implementing that Act. In no event shall the amount expended out of appropriations identified by this provision exceed the amount of additional revenues generated pursuant to House Bill 3667.

Sec. 10.38. **Contingency Appropriation for House Bill 63.** Contingent upon the enactment of House Bill 63 or similar legislation relating to the suspension of a person's driver's license and to an increase of the fee for the reinstatement or issuance of certain suspended or denied driver's licenses, by the Seventy Seventh Legislature, Regular Session, the Department of Public Safety is hereby appropriated out of General Revenue, $300,000 each fiscal year of the biennium for the purpose of implementing this Act. The Department of Public Safety is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the department's bill pattern.

Sec. 10.39. **Contingent Appropriation for House Bill 2600.** Contingent upon enactment of House Bill 2600, or similar legislation relating to the provision of workers' compensation benefits and to the operation of the workers' compensation insurance system; providing penalties and to the establishment of an allocation program for the funding of workers' compensation, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the following actions are to be taken:

* (a) The Texas Workers' Compensation Commission is hereby appropriated in B.2.1., Strategy: Investigations/Compliance the amount of $812,800 in fiscal year 2002 and $665,314 in fiscal year 2003 out of general revenue for the purpose of implementation of the audit and enforcement functions of the Act. The Number of Full-time Equivalent Positions (FTEs) shall be reduced by 3.6 in fiscal year 2002 and by 15.6 in fiscal year 2003 due to the elimination of the spinal surgery second opinion process. Such appropriations are also contingent upon the Texas Workers' Compensation Commission assessing rates sufficient to generate, during the 2002-03 biennium, $1,478,114 in excess of: (1) $112,897,822 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $1,119,686 required to be raised in rider 6 of the agency bill pattern. The Texas Workers' Compensation Commission, upon completion of necessary actions to assess or increase such additional revenues, shall furnish copies of the

*Should read "(Object Code 3219)."

Texas Workers' Compensation Commission's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised rate structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to the effect shall be issued and the contingent appropriation shall be made available for the intended purpose.

(b) In addition to amounts appropriated elsewhere in this Act to the State Office of Risk Management, the amount of $171,307 in general revenue in fiscal year 2002 and $148,018 in general revenue in fiscal year 2003 shall be added to the State Office of Risk Management in A.1.1., Strategy: Risk Management Program for the implementation of the bill for administering the risk management program. The Number of Full-time Equivalent Positions (FTEs) shall be increased by 3 in fiscal year 2002 and by 3 in fiscal year 2003.

(c) The Comptroller of Public Accounts shall reduce appropriations to the State Office of Risk Management, Workers' Compensation Payments in A.1.1., Strategy: Workers' Compensation Payments, in the amount of $2,724,958 on or before August 31, 2003.

Sec. 10.40. **Contingency Appropriation Senate Bill 187.** Contingent on enactment by the Seventh-seventh Legislature, Regular Session, of Senate Bill 187 or similar legislation relating to the creation of an authority and related projects and duties regarding government services provided through online systems, each authorized licensing entity is authorized to increase the occupational license renewal fees imposed on the licensing entity's licensees by an amount sufficient to cover the cost of the subscription fee charged by the TexasOnline Authority to the licensing entity pursuant to Senate Bill 187 or similar legislation. The increase in occupational license renewal fees shall not exceed $5 for an occupational license that is required to be renewed annually or $10 for an occupational license that is required to be renewed biennially. Each licensing entity provided by Senate Bill 187 or similar legislation is hereby appropriated the additional occupational license renewal fees and shall pay the TexasOnline Authority the subscription fee authorized by Senate Bill 187 or similar legislation.

The TexasOnline Authority is hereby appropriated the increase in subscription fees from the licensing entities for payment of the costs of implementing electronic services for licensing entities an amount not to exceed $1,225,000 in fiscal year 2002 and an amount not to exceed $1,907,000 in fiscal year 2003.

The "Number of Full-time Equivalent Positions (FTEs)" indicated in the bill pattern for DIR is increased by 3.0 for each fiscal year of the biennium.

* Sec. 10.41. **Contingency Appropriation: Senate Bill 697.** Contingent upon the enactment of Senate Bill 697, or similar legislation relating to the regulation of the practice of professional engineering by the Seventy-seventh Legislature, Regular Session, the Board of Professional Engineers is hereby appropriated $206,769 in fiscal year 2002 and $142,296 in fiscal year 2003, out of the General Revenue Fund for the purpose of implementing that Act. Such appropriations are also contingent on the Board of Professional Engineers assessing fees sufficient to generate, during the 2002-03 biennium, $349,065 in excess of $4,282,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003. The Board of Professional Engineers, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Engineers' minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

*See Veto Proclamation.

Sec. 10.42. **Contingency for Senate Bill 736.** Contingent upon the enactment of Senate Bill 736, or similar legislation relating to the operation of the self-directed semi-independent agency pilot project the appropriations made in this article* for the Board of Public Accountancy, the Board of Architectural Examiners and the Board of Professional Engineers shall not take effect.

Sec. 10.43. **Contingency Appropriation: House Bill 3067.** Contingent upon the enactment of House Bill 3067, or similar legislation relating to the regulation of the funeral industry, cemeteries, and crematories, by the Seventy-seventh Legislature, Regular Session, the Funeral Service Commission is hereby appropriated $53,448 in fiscal year 2002 and $53,448 in fiscal year 2003, out of the General Revenue Fund for the purpose of implementing that Act. Such appropriations are also contingent on the Funeral Service Commission assessing fees sufficient to generate, during the 2002-03 biennium, $136,826 in excess of: (1) $1,747,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $117,672 required to be raised in rider 3 of the agency bill pattern. The Funeral Service Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Funeral Service Commission's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. Also contingent on: (1) the enactment of House Bill 3067, or similar legislation, and (2) the Funeral Service Commission meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the agency bill pattern is hereby increased by two in 2002 and two in 2003.

Sec. 10.44. **Contingent Appropriation for House Bill 472.** Contingent upon the enactment of House Bill 472, or similar legislation relating to the regulation of telemarketing; providing penalties, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Public Utility Commission is hereby appropriated in B.1.1. Strategy: Provide Info About Changes, the amount of $82,679 in fiscal year 2002 and $134,676 in fiscal year 2003 out of general revenue for the purpose of implementing the Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to House Bill 472.

Sec. 10.45. **Contingent Appropriation for Senate Bill 584.** Contingent upon the enactment of Senate Bill 584, or similar legislation relating to the frequency with which a person may take an examination administered by the Texas Board of Professional Land Surveying, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Board of Professional Land Surveying is hereby appropriated in A.1.2. Strategy: Examination, the amount of $11,750 in fiscal year 2002 and $11,750 in fiscal year 2003, out of general revenue for the purpose of implementing the Act. Such appropriations are also contingent on the Board of Professional Land Surveying assessing fees sufficient to generate, during the 2002-03 biennium, $23,500 in excess of: (1) $842,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $90,096 required to be raised in rider 2 of the agency bill pattern. The Board of Professional Land Surveying, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Land Surveying's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller fins the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

*Should read "Act."

Sec. 10.46. **Contingent Appropriation for House Bill 695.** Contingent upon the enactment of House Bill 695, or similar legislation relating to the regulation of certain occupations by the Texas Real Estate Commission; providing penalties, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas Real Estate Commission is hereby appropriated in A.1.1. Strategy: TREC Licensing, the amount of $223,000 in fiscal year 2002 and $223,000 in fiscal year 2003 out of general revenue for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas Real Estate Commission assessing fees sufficient to generate, during the 2002-03 biennium, $446,000 in excess of: (1) $10,801,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $115,910 required to be raised in rider 8 of the agency bill pattern. The Texas Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Real Estate Commission's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Sec. 10.47. **Contingency for Senate Bill 685.** Contingent upon enactment of Senate Bill 685, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of riding stables, the Texas Department of Health shall transfer on the effective date of this Act, all powers, duties, obligations, rights, contracts, records, employees, property and unspent and unobligated appropriations and other funds relating to the regulation of riding stables to the Texas Animal Health Commission.

Also, contingent on the enactment of Senate Bill 685 or similar legislation, the Texas Animal Health Commission is hereby appropriated all fees collected in accordance with § 2053, Occupations Code, estimated to be $30,187 in fiscal year 2002 and $29,198 in fiscal year 2003 from Appropriated Receipts, to be used solely for the purpose of regulating riding stables.

Sec. 10.48. **Contingency Appropriation for Senate Bill 317.** Contingent upon the enactment of Senate Bill 317, or similar legislation relating to the continuation and functions of the Office of Consumer Credit Commissioner and the regulation of certain financial businesses, by the Seventy-seventh Legislature, Regular Session, the Office of Consumer Credit Commissioner is hereby appropriated $1,015,200 for fiscal year 2002 and $478,300 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 317.

* Sec. 10.49. **Contingency Appropriation for Senate Bill 1622.** Contingent upon the enactment of Senate Bill 1622, or similar legislation relating to the regulation of amusement rides, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $190,260 for fiscal year 2002 and $160,110 for fiscal year 2003 out of the Mobile Amusement Ride Regulation Fund Account in General Revenue for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1622, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 2 for fiscal year 2002 and by 2 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1622.

Sec. 10.50. **Contingency Appropriation for House Bill 1636.** Contingent upon the enactment of House Bill 1636, or similar legislation relating to continuation and functions of the Savings and Loan Department and the regulation of certain financial businesses, by the Seventy-seventh Legislature, Regular Session, the Savings and Loan Department is hereby appropriated $318,789 for fiscal year 2002 and $306,789 for fiscal year 2003 out of General Revenue for the purpose of implementing that

*Senate Bill 1622 or similar legislation did not pass.

Act. Also, contingent on the enactment of House Bill 1636, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby increased by 6 for fiscal year 2002 and by 6 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to House Bill 1636.

Sec. 10.51. **Contingency Reduction in Appropriations for Senate Bill 184.** Contingent upon enactment of Senate Bill 184 of the Seventy-seventh Legislature, Regular Session, relating to eligibility requirements for certain persons under the food stamp program, the appropriations made by this Act to the Department of Human Services are hereby reduced by $658,549 in General Revenue and $658,549 in Federal Funds for fiscal year 2002, and $155,330 in General Revenue and $155,330 in Federal Funds for fiscal year 2003. The "Number of Full-time Equivalent Positions (FTE) - State and Federal Funds" figure indicated in the Department of Human Services bill pattern is hereby reduced by sixty-eight (68) for fiscal year 2002 and by sixteen (16) for fiscal year 2003. The Department of Human Services is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

Sec. 10.52. **Contingent Appropriation for Senate Bill 98, Senate Bill 768, and Senate Bill 65.**

* (a) **Contingent Appropriation for Senate Bill 98.** Contingent upon enactment of Senate Bill 98, or similar legislation relating to regulation of certain automated systems used to dispense prescription drugs, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas State Board of Pharmacy is hereby appropriated in A.1.1. Strategy: Licensing, the amount of $125,216 in fiscal year 2002 and $81,039 in fiscal year 2003 out of general revenue dedicated account 0523 for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas State Board of Pharmacy assessing fees sufficient to generate, during the 2002-03 biennium, $206,225 in excess of: (1) $6,963,000, (Object Code 3562, 3570, 3777), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $14,388 required to be raised in rider 2 of the agency bill pattern. The Texas State Board of Pharmacy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Pharmacy's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

* (b) **Contingent Appropriation for Senate Bill 768.** Contingent upon enactment of Senate Bill 768, or similar legislation relating to regulation of the practice of pharmacy and the dispensing of certain drugs, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas State Board of Pharmacy is hereby appropriated in A.1.1. Strategy: Licensing, the amount of $110,807 in fiscal year 2002 and $66,630 in fiscal year 2003 out of general revenue dedicated account 0523 for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas State Board of Pharmacy assessing fees sufficient to generate, during the 2002-03 biennium, $177,437 in excess of: (1) $6,963,000, (Object Code 3562, 3570, 3777), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $14,388 required to be raised in rider 2 of the agency bill pattern. The Texas State Board of Pharmacy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Pharmacy's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the

*Should read "B.1.1. Strategy: Enforcement."

information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

(c) **Contingent Appropriation for Senate Bill 65.** Contingent upon enactment of Senate Bill 65, or similar legislation relating to the to the regulation of telepharmacy as a method to dispense drugs, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas State Board of Pharmacy is hereby appropriated in A.1.1. Strategy: Licensing, the amount of $22,159 in fiscal year 2002 out of general revenue dedicated account 0523 for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas State Board of Pharmacy assessing fees sufficient to generate, during the 2002-03 biennium, $22,159 in excess of: (1) $6,963,000, (Object Code 3562, 3570, 3777), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $14,388 required to be raised in rider 2 of the agency bill pattern. The Texas State Board of Pharmacy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Pharmacy's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Sec. 10.53. **Contingent Appropriation for House Bill 217 and House Bill 1505.**

(a) **Contingent Appropriation for House Bill 217.** Contingent upon enactment of House Bill 217, or similar legislation relating increasing the Plumbing Board's jurisdiction in job site monitoring by eliminating the current exemption that allows unlicensed plumbers to perform plumbing work in areas outside of cities of 5,000 or more, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas State Board of Plumbing Examiners is hereby appropriated in A.1.2. Strategy: Inspections/Enforcement, the amount of $5,179 in fiscal year 2002 out of general revenue for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas State Board of Plumbing Examiners assessing fees sufficient to generate, during the 2002-03 biennium, $5,179 in excess of: (1) $4,290,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $67,326 required to be raised in rider 2 of the agency bill pattern. The Texas State Board of Plumbing Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Plumbing Examiners minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

(b) **Contingent Appropriation for House Bill 1505.** Contingent upon enactment of House Bill 1505, or similar legislation relating to the regulation of plumbing; providing a penalty, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas State Board of Plumbing Examiners is hereby appropriated in A.1.2. Strategy: Inspections/Enforcement, the amount of $134,072 in fiscal year 2002 and $103,922 out of general revenue for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas State Board of Plumbing Examiners assessing fees sufficient to generate, during the 2002-03 biennium, $237,994 in excess of: (1) $4,290,000, (Object Code

3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the $67,326 required to be raised in rider 2 of the agency bill pattern. The Texas State Board of Plumbing Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Plumbing Examiners minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

Sec. 10.54. **Contingency Appropriation for House Bill 3178.** Contingent upon the enactment of House Bill 3178 , or similar legislation relating to the requirement that certain persons associated with development corporations complete a training seminar on the operation and administration of development corporations, by the 77th Legislature, Regular Session, the Department of Economic Development is hereby appropriated in B.2.1. Strategy: Incentives and Tools $58,449 for fiscal year 2002 and $58,849 for fiscal year 2003 out of additional revenues collected pursuant to House Bill 3178 for the purpose of implementing that Act. Also contingent on the enactment of House Bill 3178,or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 1 for fiscal year 2002 and by 1 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to House Bill 3178.

Sec. 10.55. **Contingency Appropriation for House Bill 1689.** Contingent upon enactment of House Bill 1689, or similar legislation relating to an exemption from ad valorem taxation for certain organizations engaged primarily in performing charitable functions, by the Seventy-seventh Legislature, Regular Session, the "Number of Full-time Equivalent Positions (FTEs)" authorized to the Comptroller of Public Accounts is hereby increased by 4 each year of the biennium for the purpose of implementing the provisions of the bill.

Sec. 10.56. **Contingency for Reimbursement of Advisory Committee Members for SB 1456.** Contingent upon the enactment of Senate Bill 1456 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the establishment of a pediatric diabetes research advisory committee, and pursuant to V.T.C.A., Government Code, Section 2110.004, the Texas Department of Health may reimburse expenses for a pediatric diabetes research advisory committee out of funds appropriated to the department.

Sec. 10.57. **Contingency Appropriation for SB 1045.** Contingent upon the enactment of Senate Bill 1045 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the hazardous substances law, the Texas Department of Health is hereby appropriated $68,507 in fiscal year 2002 and $73,810 in fiscal year 2003 from General Revenue. Such appropriations are contingent upon the department assessing fees sufficient to generate, during the 2002-03 biennium, $180,000 in excess of $302,000 (Object Code 3555), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2002-03. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

* Sec. 10.58. **Contingency Appropriation for Senate Bill 281.** Contingent upon the enactment of Senate Bill 281 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to requiring the Texas Department of Health to allow health care providers to use certain vaccines in the

*Senate Bill 281 did not pass. See Senate Bill 280 for similar legislation.

federal vaccines for children program, the Texas Department of Health is hereby appropriated $4,536,896 in Federal Funds each year of the biennium. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

Sec. 10.59. **Contingency Appropriation for House Bill 1617.** Contingent upon the enactment of House Bill 1617 or similar legislation relating to the expansion of prison industries programs, by the Seventy-seventh Legislature, Regular Session, the Texas Department of Criminal Justice is hereby appropriated $500,166 for fiscal year 2002 and $500,166 for fiscal year 2003 out of the Private Sector Prison Industry Expansion Account for the purpose of implementing that Act. This appropriation is also contingent upon the Comptroller of Public Accounts certifying that sufficient funds are available in the aforementioned account to support the appropriation. The Department of Criminal Justice is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on capital budget expenditures elsewhere in this Act.

Sec. 10.60. **Contingent Revenue for House Bill 1721.** Contingent on passage of House Bill 1721 or similar legislation, the State Board for Educator Certification is appropriated $390,844 in fiscal year 2002 and $370,844 in fiscal year 2003 for the purpose of assessing out-of-state educators a higher certification fee to recover the costs and revenue loss associated with implementation of this legislation. The appropriation is further contingent upon the State Board for Educator Certification assessing fees sufficient to generate, during the 2002-2003 biennium, $763,409 in excess of the $23,832,000 contained in the Comptroller of Public Accounts Biennial Revenue Estimate for fiscal years 2002 and 2003. The State Board for Educator Certification upon completion of necessary actions to assess or increase such additional fees , shall furnish copies of State Board for Educator Certification minutes and other information supporting the estimated revenues to be generated for the 2002-2003 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

* Sec. 10.61. **Contingency for House Bill 251.** Contingent upon the enactment of House Bill 251 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to certification of food managers, the Texas Department of Health is hereby appropriated $172,800 in fiscal year 2002 and $466,560 in fiscal year 2003 out of additional revenues collected pursuant to House Bill 251 for the purpose of implementing the Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to House Bill 251. The additional revenues generated must be sufficient to cover the cost of the appropriation as well as any indirect costs associated with the implementation of the provisions of the bill. The Department of Health is hereby authorized *to transfer* the appropriations made pursuant to this provision to the appropriate strategy items in the department's bill pattern.

Sec. 10.62. **Contingency Appropriation for Senate Bill 126.** Contingent upon the enactment of Senate Bill 126, or similar legislation relating to the creation and funding of a rural communities health care investment program to attract and retain rural health care professionals, by the Seventy-seventh Legislature, Regular Session, the Center for Rural Health Initiatives, with the Department of Health, is hereby appropriated $2,500,000 in tobacco settlement proceeds for deposit into a permanent endowment fund for the Rural Communities Healthcare Investment Program, created by Senate Bill 126, for the purpose of implementing Senate Bill 126. The amounts of the available interest earnings of the permanent endowment fund are hereby appropriated to the Center for Rural Health Initiatives for the Rural Communities Healthcare Investment Program for each year for the 2002-03 biennium for the purpose of implementing Senate Bill 126. This appropriation is contingent upon receipt of tobacco

*Italicized language was inadvertently omitted from enrolled Bill.

* proceeds in excess of the biennial revenue estimates of the Comptroller of Public Accounts. The Department of Health is hereby authorized *to transfer* the appropriations made pursuant to this provision to the appropriate strategy items in the department's bill pattern.

** Sec. 10.63. **Contingency Appropriation for Senate Bill 1586.** Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to fees for copies of birth and death certificates, by the Seventy-seventh Legislature, Regular Session, the Department of Health is hereby appropriated $2,371,001 in fiscal year 2002 and $2,413,000 in fiscal year 2003 out of additional revenues collected pursuant to Senate Bill 1586 for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1586. The additional revenues generated must be sufficient to cover the costs of the appropriation as well as any indirect costs associated with the implementation of the provisions of the bill.

Sec. 10.64. **Contingency for Reimbursement of Advisory Committee Members for Senate Bill 558.** Contingent upon the enactment of Senate Bill 558 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the establishment of the Drug Demand Reduction Advisory Committee, and pursuant to V.T.C.A., Government Code, Section 2110.004, the Texas Commission on Alcohol and Drug Abuse may reimburse expenses for the advisory committee out of funds appropriated to the commission.

Sec. 10.65. **Contingency for Reimbursement of Advisory Committee Members for Senate Bill 665.** Contingent upon the enactment of Senate Bill 665 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the establishment of the Office of Early Childhood Coordination Advisory Committee, and pursuant to V.T.C.A., Government Code, Section 2110.004, the Health and Human Services Commission may reimburse expenses for the advisory committee out of funds appropriated to the commission.

Sec. 10.66. **Contingency for Senate Bill 527.** Contingent upon the enactment of Senate Bill 527 or similar legislation relating to taking regulatory action against assisted living facilities, including the imposition of administrative penalties, by the Seventh-seventh Legislature, Regular Session, the Department of Human Services shall transfer up to $100,000 in additional funds through interagency contract for each fiscal year out of funds appropriated in Strategy D.1.1., Central Administration, to the State Office of Administrative Hearings as necessary to support SOAH's increased workload as a result of the implementation of the provisions of the bill. The "Number Full-Time Equivalent Positions (FTE)" figure for the State Office of Administrative Hearings is hereby increased by 1 in each fiscal year of the biennium.

Also contingent on the enactment of Senate Bill 527, or similar legislation, there is hereby appropriated to the Health and Human Services Commission $33,662 in General Revenue and $33,661 in Federal Funds for fiscal year 2002 and $30,868 in General Revenue and $30,867 in Federal Funds for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Health and Human Services Commission bill pattern is hereby increased by one (1) for fiscal year 2002 and by one (1) for fiscal year 2003. The commission is hereby authorized to transfer the appropriations made in this provision to the appropriate strategy items of the commission's bill pattern.

** Sec. 10.67. **Contingency Appropriation for Senate Bill 516.** Contingent upon the enactment of Senate Bill 516 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the creation of a rural physician relief program, the Texas Department of Health is hereby appropriated $182,250 in fiscal year 2002 and $243,000 in fiscal year 2003 from the new General Revenue-Dedicated account created under the provisions of the bill. The appropriation made above is

*Italicized language was inadvertently omitted from enrolled Bill.
**See Veto Proclamation.

contingent upon the department assessing fees sufficient to generate $425,250 in revenue for the biennium. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

Sec. 10.68. **Contingency Appropriation and Reduction for Senate Bill 1245.** Contingent upon the enactment of Senate Bill 1245, or similar legislation relating to reporting certain acts of misconduct by and background checks of certain employees and applicants for employment of certain health care agencies and facilities, by the Seventy-seventh Legislature, Regular Session:

(a) The Department of Protective and Regulatory Services is hereby appropriated $124,888 in General Revenue Funds and $12,957 in Federal Funds for fiscal year 2002, and $194,800 in General Revenue Funds and $20,211 in Federal Funds for fiscal year 2003. The department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items;

(b) The "Number of Full-time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Department of Protective and Regulatory Services is hereby increased by 3.0 for fiscal year 2002 and by 3.0 for fiscal year 2003;

(c) The appropriations made above to the Department of Human Services in Strategy A.2.2, Long-Term Care Credentialing, are hereby reduced by $386,032 in General Revenue Funds and $53,949 in Federal Funds for fiscal year 2002, and by $403,140 in General Revenue Funds and $53,841 in Federal Funds for fiscal year 2003; and

(d) The "Number of Full-time Equivalent Positions (FTE)" figure indicated in the bill pattern for the Department of Human Services is hereby reduced by 3.0 for fiscal year 2002 and by 3.0 for fiscal year 2003.

Sec. 10.69. **Contingency Appropriation for Senate Bill 273.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of SB 273, or similar legislation relating to TRS oversight of 403(b) plans offered to school district employees, to the extent allowed by law the Teacher Retirement System is hereby authorized to use funds appropriated to the agency elsewhere in this Act, in an amount not to exceed $150,000 in fiscal year 2002, for the purpose of implementing the provisions of that legislation. In fiscal year 2003, the Teacher Retirement System is hereby appropriated $125,000 from revenues generated from the certification fee authorized by SB 273 and deposited in the 403(b) Administrative Trust Fund.

* Sec. 10.70. **Contingency Appropriation for House Bill 877.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 877, or similar legislation relating to providing benefits to survivors of public safety workers killed in the line of duty, the Employees Retirement System is hereby appropriated an amount estimated to be $1,496,980 in fiscal year 2002 and $1,335,760 in fiscal year 2003 from the General Revenue Fund, and an amount estimated to be $992,520 in fiscal year 2002 and $885,040 in fiscal year 2003 from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

Sec. 10.71. **Contingency Appropriation for House Bill 1572.** Contingent upon the enactment of House Bill 1572 by the Seventy-seventh Legislature, Regular Session, or similar legislation related to an automated victim notification system, the Office of the Attorney General is hereby appropriated $3,293,235 in fiscal year 2002 and $3,856,455 in fiscal year 2003 from the Compensation to Victims of Crime Fund No. 469 to Strategy C.1.3, Victims Assistance, for the purpose of implementing the provisions of that legislation.

*See Veto Proclamation.

Sec. 10.72. **Contingency Appropriation for Senate Bill 1202.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of SB 1202, or similar legislation relating to increasing the limits on compensation paid through the Crime Victim Compensation Program, the Office of the Attorney General is hereby appropriated $1,225,000 in fiscal year 2002 and $1,275,000 in fiscal year 2003 in Strategy C.1.1, Crime Victim Compensation, from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

Sec. 10.73. **Contingency Appropriation for Senate Bill 850.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of SB 850, or similar legislation providing income benefits to disabled peace officers through the Crime Victim Compensation Program, the Office of the Attorney General is hereby appropriated $2,203,000 in fiscal year 2002 and $2,969,000 in fiscal year 2003 in Strategy C.1.1, Crime Victim Compensation, from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

Sec. 10.74. **Contingency Appropriation for House Bill 769.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 769, or similar legislation requiring filing fees for administrative writs of withholding for child support, the Office of the Attorney General is hereby appropriated $5,388,224 in fiscal year 2002 and $5,657,642 in fiscal year 2003 in Strategy B.1.1, Child Support Enforcement, from federal funds received for the purpose of implementing the provisions of that legislation.

Sec. 10.75. **Contingency Appropriation for Senate Bill 297.** Contingent upon the enactment of Senate Bill 297, or similar legislation providing supplemental financial assistance to certain grandparents, by the Seventy-seventh Legislature, Regular Session, the Department of Human Services is hereby appropriated $300,000 for fiscal year 2002 and $100,000 for fiscal year 2003 out of Temporary Assistance for Needy Families (TANF) federal funds for the purpose of implementing that Act. The Department of Human Services is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

* Sec. 10.76. **Contingency Appropriation for SB 1246.** Contingent upon the enactment of Senate Bill 1246 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the establishment of a community health center revolving loan fund program, the Health and Human Services Commission is hereby appropriated $4,500,000 in fiscal year 2003 from the new trust fund created under the provisions of the bill. Expenditures from the trust fund are limited to the amount of gifts, grants and other money deposited to the trust fund. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern.

Sec. 10.77. **Contingency Appropriation for House Bill 310.** Contingent upon the enactment by the Seventh-seventh Legislature, Regular Session, of House Bill 310 or similar legislation relating to the establishment and operation of veterans cemeteries and to the extent that funds are available from the United States Department of Veterans Affairs, the General Land Office and Veterans' Land Board is hereby appropriated $3,600,000 in Federal Funds in fiscal year 2003.

Sec. 10.78. **Contingency Appropriation for House Bill 131.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 131, or similar legislation relating to the use of the Compensation to Victims of Crime Fund to reimburse the costs of certain medical examinations, the Office of the Attorney General is hereby appropriated $3,810,000 in fiscal year 2002 and $4,190,000 in fiscal year 2003 to Strategy C.1.3, Victims Assistance, from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

*Senate Bill 1246 did not pass. Similar legislation, House Bill 2574, did pass.

Sec. 10.79. **Contingency Appropriation for House Bill 519.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 519, or similar legislation allowing compensation payments to victims of family violence or sexual assault for relocation and housing rental expenses, the Office of the Attorney General is hereby appropriated $347,344 in fiscal year 2002 and $404,809 in fiscal year 2003 in Strategy C.1.1, Crime Victim Compensation, from the Compensation to Victims of Crime Fund No. 469 for the purpose of implementing the provisions of that legislation.

* Sec. 10.80. **Contingency Appropriation for Senate Bill 1839, Related to Long-Term Care Facilities.** Contingent upon enactment of Senate Bill 1839, or similar legislation of the Seventy-seventh Legislature relating to a Quality Assurance Fee on state-licensed intermediate care facilities for the mentally retarded, the Department of Mental Health and Mental Retardation is hereby appropriated $17,854,395 in General Revenue and $26,972,106 in Federal Funds for fiscal year 2002 and $19,173,011 in General Revenue and $28,843,546 in Federal Funds for fiscal year 2003, contingent upon the collection and deposit of *$37,027,406* in revenues generated under the provisions of the bill for the biennium. All of these General Revenue and Federal Funds are to be utilized to provide rate increases to non-state operated public ICFs/MR providers and to private ICFs/MR providers.

Sec. 10.81. **Contingency Appropriation for Senate Bill 5.** Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation relating to the Texas Emissions Reduction Plan, the appropriations are hereby increased for the following agencies. All amounts appropriated out of the Texas Emissions Reduction Plan Fund are contingent upon revenues available in the Fund being sufficient to cover such appropriations.

Natural Resource Conservation Commission. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan, the Natural Resource Conservation Commission is hereby appropriated $1,125,401 in fiscal year 2002 and $966,402 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund created by the bill to be used for the administration of Texas Emissions Reduction Plan programs. In addition, the Natural Resource Conservation Commission is hereby appropriated $103,616,840 in fiscal year 2002 and $109,439,810 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund to be used as grants for the diesel emissions reduction program as specified by the bill. The Natural Resource Conservation Commission is hereby appropriated $500,000 in each fiscal year of the biennium out of the Texas Emissions Reduction Plan Fund to be used for air for air quality planning activities in near nonattainment areas and other affected counties as specified by the bill.

In addition, the “Number of Full-Time Equivalent Positions (FTE)” figure indicated herein for the Natural Resource Conservation Commission is hereby increased by five in each fiscal year of the 2002-03 biennium.

Public Utility Commission. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan, the Public Utility Commission is hereby appropriated $249,543 in each fiscal year of the 2002-03 biennium out of the Texas Emissions Reduction Plan Fund to be used for administrative costs associated with the energy efficiency grant program created by the bill. In addition, the Public Utility Commission is hereby appropriated $11,598,500 in fiscal year 2002 and $12,250,725 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund to be awarded as energy efficiency grants as specified by the bill.

In addition, the “Number of Full-Time Equivalent Positions (FTE)” figure indicated herein for the Public Utility Commission is hereby increased by two in each fiscal year of the 2002-03 biennium.

*Italicized text was modified to reflect total.

Comptroller of Public Accounts. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan, the Comptroller of Public Accounts is hereby appropriated $970,300 in fiscal year 2002 and $400,000 in fiscal year 2003 from the General Revenue Fund for the purpose of administering the Act. The Comptroller of Public Accounts is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above. In addition, there is hereby appropriated $1,370,300 out of the Texas Emissions Reduction Plan Fund for the biennium for transfer to the General Revenue Fund as a reimbursement for the costs of administration appropriated above.

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated herein for the Comptroller of Public Accounts is hereby increased by ten in each fiscal year of the 2002-03 biennium.

Fiscal Programs–Comptroller of Public Accounts. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan, Fiscal Programs– Comptroller of Public Accounts is hereby appropriated $23,197,800 in fiscal year 2002 and $24,501,450 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund to be used as grants for the motor vehicle purchase or lease incentives program, as specified by the bill.

Texas Engineering Experiment Station. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan, the Texas Engineering Experiment Station is hereby appropriated $1,363,060 in fiscal year 2002 and $1,293,060 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund to implement the bill's requirements relating to energy efficient building standards.

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated herein for the Texas Engineering Experiment Station is hereby increased by ten in each fiscal year of the 2002-03 biennium.

Texas Council on Environmental Technology. Contingent upon passage of Senate Bill 5 by the Seventy-Seventh Legislature, Regular Session, or similar legislation creating the Texas Emissions Reduction Plan and the Texas Council on Environmental Technology, the Texas Council on Environmental Technology is hereby appropriated $220,306 in fiscal year 2002 and $210,408 in fiscal year 2003 out of the Texas Emissions Reduction Plan Fund for costs associated with administering the new technology research and development program created by the bill. The Texas Council on Environmental Technology is hereby appropriated $200,000 in each fiscal year of the biennium out of the Texas Emissions Reduction Plan Fund to contract for a health effects study relating to air pollution, as specified by the bill. The Texas Council on Environmental Technology is hereby appropriated $10,848,900 in fiscal year 2002 and $11,500,725 out of the Texas Emissions Reduction Plan Fund to be used as grants for the new technology research and development program.

In addition, the Texas Council on Environmental Technology is hereby authorized as total of three full time equivalent positions in fiscal year 2002 and four full time equivalent positions in fiscal year 2003.

* Sec. 10.82. **Contingency Reduction in Appropriations for Senate Bill 1411.** Contingent upon enactment of Senate Bill 1411 of the Seventy-seventh Legislature, Regular Session, or similar legislation relating to dental services provided under the medical assistance program, the appropriations made by this Act to the Department of Health are hereby reduced by $1,010,853 in General Revenue and $1,528,979 in Federal Funds for fiscal year 2002, and $1,013,901 in General

*Senate Bill 1411 was vetoed. See House Bill 3507.

Revenue and $1,525,931 in Federal Funds for fiscal year 2003. The Department of Health is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

Sec. 10.83. **Contingency Appropriation: Senate Bill 310.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of Senate Bill 310 or similar legislation relating to the continuation and functions of the Railroad Commission of Texas, the Railroad Commission is hereby appropriated $125,000 out of the General Revenue Fund and $4,424,457 out of the General Revenue-Dedicated Oil Field Cleanup Account No. 145 in fiscal year 2002, and $125,000 out of General Revenue and $6,090,763 out of the Oil Field Cleanup Account No. 145 in fiscal year 2003 out of fees generated by Senate Bill 310 other similar legislation for the purpose of implementing this Act.

In the event that additional fees are generated by Senate Bill 310 other similar legislation then an amount not to exceed $1,144,075 out of the General Revenue Fund and an amount not to exceed $7,589,457 out of the General Revenue-Dedicated Oil Field Cleanup Account No. 145 in fiscal year 2002, and an amount not to exceed $682,480 out of General Revenue and an amount not to exceed $9,055,763 out of the Oil Field Cleanup Account No. 145 in fiscal year 2003 is hereby appropriated out of fees generated by Senate Bill 310 other similar legislation for the purpose of implementing this Act.

Revenues generated from fees authorized by Senate Bill 310 or other similar legislation are estimated to be $125,000 in General Revenue Funds for each fiscal year and estimated to be $5,103,280, but not to exceed $9,103,280 in fiscal year 2002 and $5,321,280 but not to exceed $9,121,280 in fiscal year 2003 in General Revenue-Dedicated Oil Field Cleanup Account No.145.

The Railroad Commission is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.

The "Number of Full-time Equivalent Positions (FTEs)" figure indicated in the bill pattern in this Act for the Railroad Commission is hereby increased by an amount not to exceed 11.0 (of which 6.0 positions must be located in District Offices) in fiscal year 2002 and 18.0 (of which 10.0 positions must be located in District Offices) in fiscal year 2003.

The "Number of Full-time Equivalent Positions (FTEs)" figure indicated in the bill pattern in this Act for the State Office of Administrative Hearings (SOAH) is hereby increased by 4.0 for each fiscal year for the purpose of implementing Senate Bill 310 other similar legislation.

As provided in Article IX of this Act, the Legislative Budget Board (in consultation with the Governor) may adjust the following projected performance target levels for the purpose of implementing Senate Bill 310 or similar legislation.

(a) Percentage of Known Non-compliant Wells Plugged with the Use of State Funds;
(b) Number of Wells Plugged with the Use of State Funds;
(c) Number of Pollution Sites Investigated, Assessed or Cleanup up with Use of State Funds.

In addition to the capital budget authority provided above in Rider 1, Capital Budget, and contingent upon passage of Senate Bill 310 or similar legislation, the Railroad Commission is hereby authorized to purchase the following capital items:

	2002	2003
(a) Vehicles	$306,000	204,000
(b) Computer Equipment	$ 46,750	27,500

Sec. 10.84. **Contingency Appropriation for Court Interpreter Certification.** Contingent upon the enactment of House Bill 2735, or similar legislation relating to the certification and licensing of court interpreters and providing penalties, by the Seventy-seventh Legislature, Regular Session, the Commission for the Deaf and Hard of Hearing (TCDHH) is hereby appropriated $69,690 in general revenue for fiscal year 2002 and $86,920 in general revenue for fiscal year 2003, which is contingent upon TCDHH generating $156,610 for the biennium in new revenues specified under the provisions of House Bill 2735, for the purpose of implementing that Act. Also contingent on the Commission for the Deaf and Hard of Hearing meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two in fiscal year 2002 and by two in fiscal year 2003.

Sec. 10.85. **Contingency Reduction in Appropriations for House Bill 1516.** Contingent upon the enactment of House Bill 1516, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the provision of catastrophic case management services under the medical assistance program, the appropriations made by this Act to the Health and Human Services Commission are hereby reduced by $865,000 in General Revenue and $1,419,000 in Federal Funds for fiscal year 2002 and $3,204,000 in General Revenue and $5,249,000 in Federal Funds for fiscal year 2003. The Health and Human Services Commission is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the commission's bill pattern.

Sec. 10.86. **Contingency Appropriation:** The following contingency appropriations apply to the Texas Department of Insurance and the Office of Public Insurance Counsel.

(a) **Contingency Appropriation for House Bill 2498.** Contingent upon the enactment of House Bill 2498, or similar legislation relating to certain cross-border health care plans offered by health maintenance organizations, by the Seventy-seventh Legislature, Regular Session, the Department of Insurance is hereby appropriated $425,453 for fiscal year 2002 and $342,478 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fee Object Code 3203 and 3215, for the purpose of implementing that Act.

(b) **Contingency Appropriation for House Bill 2159.** Contingent upon the enactment of House Bill 2159, or similar legislation relating to premium rates and minimum reserves for credit life and accident and health insurance, by the Seventy-seventh Legislature, Regular Session, the Department of Insurance is hereby appropriated $434,307 for fiscal year 2002 and $391,418 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fees Object Code 3203 and 3215 for the purpose of implementing that Act.

* (c) **Contingency Appropriation for House Bill 2430.** Contingent upon the enactment of House Bill 2430, or similar legislation relating to a consumer assistance program for health benefit plan consumers, by the Seventy-seventh Legislature, Regular Session, the Office of Public Insurance Counsel is hereby appropriated $100,000 for fiscal year 2002 and $100,000 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fee Object Code 3203 and 3215 for the purpose of implementing

*See Veto Proclamation.

that Act. Also continent upon the Texas Department of Insurance covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE) are increased by three in fiscal year 2002 and three in fiscal year 2003 in the Office of Public Insurance Counsel's bill pattern.

(d) Such appropriations are also contingent on the Department of Insurance assessing fees sufficient to generate revenue in an amount equal to the appropriations made through this rider plus any applicable benefit costs in addition to those amounts in rider 11 in the Department of Insurance's bill pattern, during the 2002-03 biennium. The Department of Insurance, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. Funds appropriated by this provision may be expended for capital budget purposes, notwithstanding limitations on capital budget expenditures elsewhere in this Act.

Sec. 10.87. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Contingent upon enactment of House Bill 3064, or similar legislation relating to the authorization of general obligation bonds, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, in addition to amounts appropriated elsewhere in this Act, the following and other state agencies listed in House Joint Resolution 97, are hereby appropriated proceeds of the general obligation bonds or notes in the amounts specified below for construction and repair projects and equipment acquisitions for the fiscal year beginning September 1, 2002.

*	(a)	Texas Historical Commission	$	45,000,000
	(b)	Texas Department of Mental Health and Mental Retardation	$	35,000,000
	(c)	Equipment Acquisitions	$	31,500,000
	(d)	General Services Commission	$	16,484,500
	(e)	Adjutant General's Department	$	3,038,252
	(f)	Department of Agriculture	$	45,000
		Total	$	131,067,752

Further, contingent upon enactment of House Bill 3064, or similar legislation, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, appropriations out of the General Revenue Fund to Strategy B.3.1., Deferred Maintenance in the General Services Commission, provided elsewhere in this Act, are reduced by $14,900,000.

The state agencies listed in House Joint Resolution 97 shall report to the Legislative Budget Board the same or similar information submitted to the Bond Review Board to obtain approval of the issuance of bonds authorized by House Bill 3064 and House Joint Resolution 97, regarding projects or acquisitions, including but not limited to project descriptions, schedules, and estimated costs.

** Sec. 10.88. **Contingency Appropriation for Senate Bill 391.** Contingent upon the enactment of Senate Bill 391 or similar legislation relating to the automation of the compulsory motor vehicle inspection system, by the Seventy-seventh Legislature, Regular Session, the Department of Public Safety is hereby appropriated $9,637,622 for fiscal year 2002 and $9,926,750 for fiscal year 2003 out of the automated inspection system account in the General Revenue Fund for the purpose of implementing that Act. All revenues in excess of these amounts deposited into the automated

*See Veto Proclamation. **Senate Bill 391 or similar legislation did not pass.

inspection system account in the General Revenue Fund are hereby appropriated to the Department of Public Safety for the same purposes. In no event shall the amount expended out of, or transferred from, appropriations identified by this provision exceed the amount of additional revenues generated pursuant to Senate Bill 391. The department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the department's bill pattern. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on the capital budget found elsewhere in this Act.

Sec. 10.89. **Contingency Appropriation for House Bill 1144.** It is the intent of the Legislature that contingent on enactment of HB 1144 or similar legislation, the Texas Education Agency and the State Board for Educator Certification use existing resources to the extent possible to implement the provisions of the legislation.

Sec. 10.90. **Contingency Rider.** It is the intent of the Legislature that: Appropriations made in this Act be expended only for purposes and programs specifically funded in the Act, and contingency appropriations made for legislation adopted by the Seventy-seventh Legislature be the sole source of funding for implementation of that legislation. No state agency or institution of higher education is required to reallocate or redistribute funds appropriated in this Act to provide funding for programs or legislation adopted by the Seventy-seventh Legislature for which there is not specific appropriation or contingency provision identified in this Act.

Sec. 10.91. **Contingency Appropriation for Senate Bill 405.** Contingent upon the enactment of Senate Bill 405, or similar legislation relating to the regulation geoscientists, by the Seventy-seventh Legislature, Regular Session, the Board of Professional Geoscientists is hereby appropriated $864,000 for fiscal year 2002 and $720,000 for fiscal year 2003 out of the Professional Geoscientists Fund Account in general revenue for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 405, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby authorized at 5 for fiscal year 2002 and 5 for fiscal year 2003. Other direct and indirect costs appropriated elsewhere in this act are estimated to be $ 46,317 in fiscal year 2002 and $46,317 in fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 405.

Sec. 10.92. **Contingency Appropriation for House Bill 2735.** Contingent upon the enactment of House Bill 2735, or similar legislation relating to the certification and licensing of court interpreters, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $146,405 for fiscal year 2002 and $101,640 for fiscal year 2003 out of the General Revenue for the purpose of implementing that Act. Also contingent on the enactment of House Bill 2735, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" is hereby increased by 3 for fiscal year 2002 and by 3 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to House Bill 2735.

Sec. 10.93. **Contingency Appropriation for Senate Bill 1223.** Contingent upon the enactment of Senate Bill 1223, or similar legislation relating to court reporting firms, by the Seventy-seventh Legislature, Regular Session, the Court Reporters Certification Board is hereby appropriated $12,622 for fiscal year 2002 and $4,888 for fiscal year 2003 out of the General Revenue Fund for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1223.

* Sec. 10.94. **Contingency Appropriation for Senate Bill 1198.** Contingent upon the enactment of Senate Bill 1198, or similar legislation relating to inspection, installation, repair, and maintenance of elevators, escalators, chairlifts, people movers, moving sidewalks, and related equipment, by the

*Senate Bill 1198 or similar legislation did not pass.

Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $159,000 for fiscal year 2002 and $155,352 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1198.

Sec. 10.95. **Contingency for House Bill 7.** Contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, and on the date by which a majority of the members of the executive committee of the Office of Rural Community Affairs have taken office:

(a) All powers, duties, obligations, rights, appropriations and other funds of the Center for Rural Health Initiatives are hereby transferred to the Office of Rural Community Affairs and the Center for Rural Health Initiatives is abolished;

(b) All powers, duties, obligations, rights, contracts, leases, records, personnel, property, and unspent and unobligated appropriations and other funds of the Department of Housing and Community Affairs related to the federal community development block grant nonentitlement program and to the community affairs and community development program that provides information, advice, and training to officials of communities of less than 10,000 people, including appropriations relating to the indirect costs and general administrative support of those programs, are hereby transferred to the Office of Rural Community Affairs; and

(c) Administration of the Texas Capital Fund by the Department of Economic Development, by rule of the Department of Housing and Community Affairs is hereby administered by the Department of Agriculture; and a fund or account administered by the Department of Economic Development relating to the federal community development block grant nonentitlement program is hereby transferred to the Office of Rural Community Affairs.

Contingent upon enactment of House Bill 7 or similar legislation, the Comptroller of Public Accounts is directed to transfer to the Office of Rural Community Affairs the estimated amounts of $93,996,953 in All Funds in fiscal year 2002 and $93,996,245 in All Funds in fiscal year 2003, including approximately $90,856,552 in All Funds in fiscal year 2002 and $90,379,552 in All Funds in fiscal year 2003 from the Department of Housing and Community Affairs and approximately $3,140,401 in All Funds in fiscal year 2002 and $3,616,693 in All Funds in fiscal year 2003, transferred as a result of the abolishment of the Center for Rural Health Initiatives. The number of full-time equivalent positions transferred is sixty-four, including sixteen full-time-equivalent positions from the Center for Rural Health Initiatives and forty-eight full-time-equivalent positions from the Department of Housing and Community Affairs. The Legislative Budget Board is authorized to resolve any disputes concerning the transfers mentioned above relating to the Office of Rural Community Affairs.

An additional five full-time-equivalent positions associated with information technology will be transferred from the affected agencies for which cost estimates have been provided by the Department of Information Resources.

* Also contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, the agency is appropriated $1,000,000 in General Revenue in each year of the 2002-03 biennium. In addition to the full-time-equivalent positions mentioned above, the agency is hereby authorized five full-time equivalent positions in each year of the 2002-03 biennium. The salary for the Executive Director of the Office of Rural Community Affairs is hereby authorized to be $85,000 in each year of the 2002-03 biennium.

*See Veto Proclamation.

Sec. 10.96. **Contingency Appropriation for Senate Bill 272.** Contingent upon the enactment of Senate Bill 272, or similar legislation relating to interest charges and other costs of certain loans, by the Seventy-seventh Legislature, Regular Session, the Office of Consumer Credit Commissioner is hereby appropriated $100,000 for fiscal year 2002 and $100,000 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 272.

Sec. 10.97. **Contingency Reduction in Appropriations for Senate Bill 725.** Contingent upon the enactment of Senate Bill 725, or similar legislation relating to the transfer of certain state property from the Department of Mental Health and Mental Retardation to Texas Panhandle Mental Health and Mental Retardation, by the Seventy-seventh Legislature, Regular Session, and contingent upon the actual conveyance of said property, the general revenue appropriations to the Department of Mental Health and Mental Retardation are hereby reduced by $118,000 in fiscal year 2002 and $118,000 in fiscal year 2003 for the purpose of implementing the Act. The Department of Mental Health and Mental Retardation is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

Sec. 10.98. **Contingency Reduction in Appropriations for Senate Bill 1002.** Contingent upon the enactment of Senate Bill 1002, or similar legislation relating to the transfer of certain state property from the Department of Mental Health and Mental Retardation to the Border Region MHMR Community Center, by the Seventy-seventh Legislature, Regular Session, and contingent upon the actual conveyance of said property, the general revenue appropriations to the Department of Mental Health and Mental Retardation are hereby reduced by $50,000 in fiscal year 2002 and $100,000 in fiscal year 2003 for the purpose of implementing the Act. The Department of Mental Health and Mental Retardation is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

Sec. 10.99. **Contingency Reduction in Appropriations for House Bill 1628.** Contingent upon the enactment of House Bill 1628, or similar legislation relating to the transfer of certain state property from the Department of Mental Health and Mental Retardation to Spindletop MHMR Services, by the Seventy-seventh Legislature, Regular Session, and contingent upon the actual conveyance of said property, the general revenue appropriations to the Department of Mental Health and Mental Retardation are hereby reduced by $170,000 in fiscal year 2002 and $170,000 in fiscal year 2003 for the purpose of implementing the Act. The Department of Mental Health and Mental Retardation is hereby authorized to reduce the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

Sec. 10.100. **Contingency Appropriation:** The following contingency appropriations apply to the Board of Medical Examiners.

* (a) **Contingency Appropriation: House Bill 1183.** Contingent upon the enactment of House Bill 1183, or similar legislation relating to the regulation of surgical assistants, by the Seventy-sixth Legislature, Regular Session, the Board of Medical Examiners is hereby appropriated $125,572 fiscal year 2002 out of General Revenue and $149,640 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. Also contingent on the Board of Medical Examiners covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Board of Medical Examiners' bill pattern is hereby increased by three in 2002 and four in 2003.

(b) **Contingency Appropriation: Senate Bill 1166.** Contingent upon the enactment of Senate Bill 1166, or similar legislation, relating to access to certain complaints filed with the Board of Medical Examiners, by the Seventy-seventh Legislature, Regular Session, the Board of

*Should read "Seventy-seventh."

Medical Examiners is hereby appropriated $46,652 for fiscal year 2002 out of General Revenue and $23,052 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. Also contingent on the Board of Medical Examiners covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Board of Medical Examiners' bill pattern is hereby increased by one in 2002 and one in 2003.

Such appropriations are also contingent on the Board of Medical Examiners assessing fees sufficient to generate revenue in an amount equal to the appropriations made through this rider plus any applicable benefit costs in addition to those amounts in rider 5 in the Board of Medical Examiners' bill pattern, during the 2002-03 biennium. The Board of Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. Funds appropriated by this provision may be expended for capital budget purposes, notwithstanding limitations on capital budget expenditures elsewhere in this Act.

Sec. 10.101. **Contingency Appropriation:** The following contingency appropriations apply to the Texas State Board of Dental Examiners.

(a) **Contingency Appropriation: Senate Bill 539.** Contingent upon the enactment of Senate Bill 539, or similar legislation, by the Seventy-seventh Legislature, Regular Session, relating to regulating the enteral administration of anesthesia in connection with the practice of dentistry, the Texas State Board of Dental Examiners is hereby appropriated $10,000 in General Revenue for fiscal year 2002 and $10,000 in General Revenue for fiscal year 2003, for the purpose of implementing that Act.

(b) **Contingency Appropriation: House Bill 3507.** Contingent upon the enactment of House Bill 3507, or similar legislation, relating to the regulation of dentistry and the provision of dental services. The Texas State Board of Dental Examiners is hereby appropriated $103,621 in fiscal year 2002 out of General Revenue and $44,304 in fiscal year 2003 out of General Revenue for the purpose of implementing that Act and the Texas State Board of Dental Examiners may reimburse expenses for the alternative dental hygiene training program advisory committee out of funds appropriated to the Texas State Board of Dental Examiners. Also contingent upon the Texas State Board of Dental Examiners covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE) are increased by two in fiscal year 2002 and two in fiscal year 2003 in the Texas State Board of Dental Examiners' bill pattern.

Such appropriations are also contingent on the Texas State Board of Dental Examiners assessing fees sufficient to generate revenue in an amount equal to the appropriations made through this rider plus any applicable benefit costs in addition to those amounts in rider 2 in the Texas State Board of Dental Examiners' bill pattern, during the 2002-03 biennium. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. Funds appropriated by this provision may be expended for capital budget purposes, notwithstanding limitations on capital budget expenditures elsewhere in this Act.

Sec. 10.102. **Contingency for House Bill 609.** Contingent upon the enactment of House Bill 609, or similar legislation by the Seventy-seventh Legislature, amounts necessary to implement House Bill 609 are hereby appropriated for fiscal years 2002 and 2003 to state agencies that become subject to Chapter 2102, Government Code, on September 1, 2001, to which Chapter 2102, Government Code, did not apply before September 1, 2001. The appropriations made herein are also contingent upon an agency assessing fees sufficient to generate, during the 2002–03 biennium, revenues (in excess of the amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003) adequate to fund the additional appropriations. If the Comptroller issues a finding of fact that sufficient revenues to fund these appropriations are available, in addition to any other amounts generated for other purposes, the contingent appropriation to implement House Bill 609 shall be effective.

PART 11. OTHER CONTINGENT PROVISIONS

Preamble

All appropriations made under this Part 11 of Article IX are contingent on the Comptroller providing notice to the Legislative Budget Board regarding a finding of fact by the Comptroller (at the time of certification of this Act or after certification of this Act) that sufficient revenue is estimated be available from the General Revenue Fund.

The Comptroller shall transfer and release funds to the state agencies or institutions under this Part 11 subject to the prior approval of the Legislative Budget Board.

Sec. 11.01. **Judicial Salaries.** The following courts and agencies are hereby appropriated out of the General Revenue Fund amounts for the purpose of providing salary increases of $3,416,369 in fiscal year 2002 and $6,832,658 in fiscal year 2003 and additional benefits of $1,537,982 in fiscal year 2002 and $3,167,353 in fiscal year 2003.

* (a) Appropriated amounts are to be allocated as follows:

Supreme Court	$	50,850*	$	101,700
Court of Criminal Appeals	$	50,850*	$	101,700
First Court of Appeals, Houston	$	48,312*	$	96,615
Second Court of Appeals, Fort Worth	$	37,576*	$	75,145
Third Court of Appeals, Austin	$	32,208*	$	64,410
Fourth Court of Appeals, San Antonio	$	37,576*	$	75,145
Fifth Court of Appeals, Dallas	$	69,784*	$	139,555
Sixth Court of Appeals, Texarkana	$	16,104*	$	32,205
Seventh Court of Appeals, Amarillo	$	21,472*	$	42,940
Eighth Court of Appeals, El Paso	$	21,472*	$	42,940
Ninth Court of Appeals, Beaumont	$	16,104*	$	32,205
Tenth Court of Appeals, Waco	$	16,104*	$	32,205
Eleventh Court of Appeals, Eastland	$	16,104*	$	32,205
Twelfth Court of Appeals, Tyler	$	16,104*	$	32,205
Thirteenth Court of Appeals, Corpus Christi	$	32,208*	$	64,410
Fourteenth Court of Appeals, Houston	$	48,312*	$	96,615

*See Veto Proclamation.

*	Judiciary Section, Comptroller's Department, Strategy A.1.1 District Judge Salaries[1]	$ 2,125,530*	$ 4,251,060
*	Judiciary Section, Comptroller's Department, Strategy A.1.5 Professional Prosecutor Salaries[2]	$ 686,475*	$ 1,372,950
*	Judiciary Section, Comptroller's Department, Strategies A.1.4. and A.1.8 District Attorney and Felony Prosecutor Salaries	$ 73,224*	$ 146,448
*	Subtotal, Salaries	$ 3,416,369*	$ 6,832,658
*	Employees Retirement System Contribution to the Judicial Retirement System, Plan 1	$ 1,136,679*	$ 2,337,012
	Contribution to the Judicial Retirement System, Plan 2	$ 401,303*	$ 830,341
*	Subtotal, JRS Contribution	$ 1,537,982*	$ 3,167,353
*	TOTAL, Salaries and Benefits	$ 4,954,351*	$ 10,000,011

(b) The additional funding shall increase salaries to the following amounts:

Chief Justice of the Supreme Court	$ 120,650	$ 126,300
Presiding Judge of the Court of Criminal Appeals	$ 120,650	$ 126,300
Justices of the Supreme Court	$ 118,650	$ 124,300
Judges of the Court of Criminal Appeals	$ 118,650	$ 124,300
Chief Justices of the Courts of Appeals	$ 113,218	$ 118,585
Justices of the Courts of Appeals	$ 112,718	$ 118,085
District Judges	$ 106,785	$ 111,870
District Attorneys (Professional Prosecutors Act)	$ 106,785	$ 111,870
District Attorneys	$ 85,428	$ 89,496
County Attorney, Oldham County	$ 56,928	$ 60,996

** Sec. 11.02. **Contingency for House Bill 2.** Contingent upon enactment of House Bill 2, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of political contributions, political expenditures, and political advertising, the Texas Ethics Commission is hereby appropriated $100,000 in fiscal year 2002 out of the General Revenue Fund for the revision of

*See Veto Proclamation.
**House Bill 2 or similar legislation did not pass.
***House Bill 3171 or similar legislation did not pass.

[1]*As modified by House Bill 3171, Regular Session, 2001.****

[2]*As modified by Senate Bill 1113, House Bill 497, and House Bill 1015, Regular Session, 2001.*

campaign finance filing guides and instructions, prescribing new forms, making modifications to the electronic filing software and databases, and distribution of new forms, instructions, and software. The appropriation made herein is contingent upon the Comptroller of Public Accounts certifying that funds will be available.

Sec. 11.03. **Contingency Appropriation: House Bill 3181.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of House Bill 3181or similar legislation relating to information concerning registered voters, any unexpended balance as of August 31, 2001 in the appropriation to the State Comptroller of Public Accounts for Voter Registration in the General Appropriation Act by the Seventy-sixth Legislature, Regular Session, is hereby appropriated to the Secretary of State for the fiscal year 2002-2003 biennium for the purpose of implementing the Act. The Office of the Secretary of State is hereby authorized to transfer the appropriation pursuant to this provision to the appropriate strategy items in the bill pattern for the Secretary of State.

* Sec. 11.04. **Contingency for Senate Bill 940.** Contingent upon enactment of Senate Bill 940, or similar legislation relating to the establishment of the Joint Admission Medical Program to assist certain economically disadvantaged students in preparing for and succeeding in medical school, by the Seventy-seventh Legislature, Regular Session, an amount of $1,050,000 in fiscal year 2002 and $3,124,000 in fiscal year 2003 in general revenue is hereby appropriated to implement the provisions of that legislation. The health-related institutions which participate in the Joint Admission Medical Program shall be allocated a proportionate amount of available funding based upon the provisions set forth in Senate Bill 940.

Sec. 11.05. **Contingency Appropriation Senate Bill 1458.** Contingent upon the enactment by the Seventy-seventh Legislature, Regular Session, of Senate Bill 1458, or similar legislation relating to the development, access, and utilization of electronic information by state agencies and political subdivisions, the Department of Information Resources (DIR) is hereby appropriated $10,000,000 out of the General Revenue Fund for the 2002-03 biennium for the purpose of implementing the Act.

The “Number of Full-time Equivalent Positions (FTEs)” indicated in the bill pattern for DIR is increased by 10.0 for each fiscal year of the biennium.

The following itemization of programs and amounts reflects the intent of the Legislature for the biennium. DIR is hereby authorized to adjust the amounts, shown below, between items as necessary upon the prior notification to the Legislative Budget Board and the Governor at least 30 days prior to the proposed transfer. Out of the $10,000,000 million appropriated herein, DIR shall allocate:

(a) $3,062,000 in general revenue for the biennium to establish an electronic government Program Management Office in DIR.

(b) $1,938,000 in general revenue for the biennium to implement miscellaneous electronic government initiatives, including the following issues as described in the Comptroller of Public Accounts e-Texas Report: EG-3, (Create one-stop on-line service to new businesses); GP-4, (Electronic reporting for local governments); EG-5, (Electronic reporting for state agencies); and EG-6 (Study of electronics grants systems).

(c) $5,000,000 in general revenue for the biennium to establish a TexasOnline grant program to enable cities, counties and school districts to provide government services through the TexasOnline portal.

*See Veto Proclamation.

Sec. 11.06. **Contingency Appropriation for Senate Bill 55.** Contingent upon the enactment of Senate Bill 55, or similar legislation relating to a statewide education program to prevent infant mortality, by the Seventy-seventh Legislature, Regular Session, the Children's Trust Fund of Texas Council is hereby appropriated $150,000 for fiscal year 2002 and $150,000 for fiscal year 2003 out of GR-Dedicated Operating Account 0541 for the purpose of implementing that Act. The Children's Trust Fund of Texas Council is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the Council's bill pattern.

Sec. 11.07. **Contingency Appropriation for House Bill 3312.** Contingent upon the enactment of House Bill 3312 or similar legislation by the Seventy-seventh Legislature, Regular Session, establishing a pilot program for an emergency medical dispatch center, in addition to amounts appropriated to the Department of Health, $150,000 in fiscal year 2002 and $150,000 in fiscal year 2003 is hereby appropriated out of the 9-1-1 Services Fee Account No. 5050 to the Texas Department of Health. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items in the department's bill pattern.

Sec. 11.08. **Contingency Appropriation for Senate Bill 38.** Contingent upon the enactment of Senate Bill 38, or similar legislation relating to authorizing the conduct of architectural review before the construction or remodeling of certain long-term and other care facilities, by the Seventy-seventh Legislature, Regular Session, the Department of Human Services is hereby appropriated $261,419 for fiscal year 2002 and $337,456 for fiscal year 2003 out of the funds generated pursuant to the provisions of Senate Bill 38 for the purpose of implementing that Act. The Department of Human Services is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern. Also contingent on the enactment of Senate Bill 38, or similar legislation, the "Number of Full-time Equivalent Positions (FTE) - State and Federal Funds" figure indicated in the Department of Human Services bill pattern is hereby increased by six (6) for fiscal year 2002 and by eight (8) for fiscal year 2003.

Sec. 11.09. **Contingency Appropriation for Senate Bill 34.** Contingent upon the enactment of Senate Bill 34, or similar legislation relating to providing dental services to certain recipients of medical assistance, by the Seventy-seventh Legislature, Regular Session, the Department of Human Services is hereby appropriated $6,281,407 All Funds, $2,500,000 General Revenue, for fiscal year 2002; and $6,262,525 All Funds, $2,500,000 General Revenue, for fiscal year 2003 for the purpose of implementing that Act. The Department of Human Services is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

* Sec. 11.10. **Contingency Appropriation for Senate Bill 1569.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of SB 1569, or similar legislation relating to the member contribution rates and benefits of the Judicial Retirement System Plan One and Judicial Retirement System Plan Two, the Employees Retirement System is hereby appropriated an amount estimated to be $300,000 in fiscal year 2002 and $400,000 in fiscal year 2003 from the General Revenue Fund for the purpose of implementing the provisions of that legislation.

Sec. 11.11. **Contingency Appropriation: House Bill 178.** Contingent on the enactment of House Bill 178, or similar legislation, by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund the amount of $100,000 in fiscal year 2002 and the amount of $100,000 in fiscal year 2003 for the purpose of reimbursing counties for amounts expended for longevity pay for eligible assistant prosecutors.

*Senate Bill 1569 did not pass. See Senate Bill 372 for similar legislation.

* Sec. 11.12. **Contingency Appropriation, New District Courts.** Contingent on the enactment of House Bill 3171, or similar legislation by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund $106,785 in fiscal year 2002 and $111,870 in fiscal year 2003 for each additional district court created effective September 1, 2001 and a pro rata amount out of the General Revenue Fund for each additional district court created with an effective date after September 1, 2001. (Estimated to be $1,530,585). Also contingent on the enactment of House Bill 3171, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 1 FTE in fiscal years 2002 and 2003 for each district court created. (Estimated to be 7 FTEs).

Sec. 11.13. **Contingency Appropriation, Professional Prosecutors.** Contingent on the enactment of House Bill 497, House Bill 1015, Senate Bill 1113, or similar legislation by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund amounts necessary to provide for the increased salary of each felony prosecutor placed under the application of Government Code §46.002 by the Seventy-seventh Legislature, Regular Session. Also contingent on enactment of Senate Bill 1113 or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 1.0 FTE in fiscal years 2002 and 2003. The Judiciary Section, Comptroller's Department is also appropriated amounts necessary to increase the apportionment of each felony prosecutor to $34,450 annually. The Comptroller is hereby authorized to transfer the appropriations made herein to the appropriate strategies to implement the provisions of the legislation. (Estimated to be $270,744).

Sec. 11.14. **Contingency Appropriation for House Bill 3572.** Contingent upon the enactment of House Bill 3572 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to establishing an unrelated donor umbilical cord blood bank, the Health and Human Services Commission is hereby appropriated $2,000,000 in General Revenue in fiscal year 2002. All unexpended balances remaining from appropriations for fiscal year 2002 may be carried forward to fiscal year 2003. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern.

Sec. 11.15. **Contingency Appropriation: House Bill 2912.** Contingent upon passage of House Bill 2912, or similar legislation relating to the continuation and functions of the Natural Resource Conservation Commission, the following changes shall be made to the appropriations to the Natural Resource Conservation Commission for the 2002–03 biennium:

Transfer of Safe Drinking Water Program from the Department of Health. Contingent upon passage of legislation transferring the safe drinking water program from the Department of Health to the Natural Resource Conservation Commission, the Natural Resource Conservation Commission is hereby appropriated the following amounts to administer the public/safe drinking water program.

Method of Finance	2002	2003
General Revenue Fund	$ 189,335	$ 105,448
Environmental Laboratory Accreditation Account	$ 119,606	$ 166,348
Total	$ 308,941	$ 271,796

The following new measure and targets should be added in Strategy A.2.1, Safe Drinking Water, contingent upon enactment of House Bill 2912 or similar legislation providing for the transfer of the public drinking water program from the Department of Health to the Natural Resource Conservation Commission.

*House Bill 3171 or similar legislation did not pass.

* In addition, the "Number of Full-time Equivalent Positions" (FTE) indicated herein *for the Department of Health* is hereby decreased by two in each fiscal year of the biennium and the "Number of Full-time Equivalent (FTE) positions indicated here for the TNRCC is hereby increased by two in each fiscal year of the biennium.

	2002	2003
Number of Drinking Water Labs Certified	140	165

Voluntary Laboratory Accreditation Program. Contingent upon passage of legislation creating a voluntary environmental laboratory accreditation program at the Natural Resource Conservation Commission and creating an Environmental Laboratory Accreditation Account within the General Revenue Fund, $47,615 in each fiscal year out of the General Revenue Fund is hereby transferred from the Department of Health to the Natural Resource Conservation Commission, and the Commission is hereby appropriated the following amounts for the creation and administration of the Environmental Laboratory Accreditation program:

Method of Finance	2002	2003
General Revenue Fund	$ 365,018	$ 174,765
Environmental Laboratory Accreditation Account	$ 0	$ 222,380
Total	$ 412,633	$ 444,760

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by two in fiscal year 2002 and by three in fiscal year 2003.

The following new measure and targets should be added in Strategy B.1.3, Occupational Licensing, contingent upon enactment of House Bill 2912 or similar legislation providing for the creation of a Voluntary Laboratory Accreditation program at the Natural Resource Conservation Commission:

	2002	2003
Number of Commercial Lab Inspections	100	200

Performance Based Regulatory Program. Contingent upon legislation requiring the Natural Resource Conservation Commission to develop and implement a performance based regulatory program using compliance history to determine eligibility for innovative programs and to establish permit and enforcement guidelines, the Commission is hereby appropriated the following amounts:

Method of Finance	2002	2003
General Revenue Fund	$ 411,261	$ 366,613
Clean Air Account No. 151	$ 226,954	$ 197,057
Waste Management Account No. 549	$ 109,911	$ 92,537
Hazardous and Solid Waste Remediation Account No. 550	$ 97,936	$ 88,356
Total	$ 846,062	$ 744,563

This appropriation shall be used for the establishment and administration of a performance based regulatory program and for rulemaking activities. In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by four in each fiscal year of the biennium.

After Hours Complaint Response Program. Contingent upon passage of legislation requiring the Natural Resource Conservation Commission to implement an after hours complaint response program, the Commission is hereby appropriated the following amounts:

*Italicized language inadvertently omitted from enrolled Bill.

*	Method of Finance	2002	2003
	General Revenue Fund	$ 50,071	$ 42,817
	Clean Air Account No. 151	$ 27,611	$ 23,062
	Waste Management Account No. 549	$ 13,393	$ 10,791
	Hazardous and Solid Waste Remediation Account No. 550	$ 11,951	$ 10,356
	Total	$ 103,026	$ 87,026

In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in each fiscal year of the biennium.

Upset Emissions Assessments. Contingent upon legislation requiring the Natural Resource Conservation Commission to perform upset emissions assessments, the Commission is hereby appropriated $52,703 in fiscal year 2002 and $44,703 in fiscal year 2003 out of the Clean Air Account No. 151. In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in each fiscal year of the biennium.

Sec. 11.16. **Contingency Appropriation: Senate Bill 2.** Contingent upon passage of Senate Bill 2 by the Seventy-seventh Legislature, Regular Session, or similar legislation relating to the management of the water resources of the state, the Water Development Board is hereby appropriated $175,000 out of the General Revenue Fund in each fiscal year 2002–03 biennium for groundwater availability modeling and activities relating to the determination of instream flow data and the Water Advisory Council, is hereby appropriated $91,516 in each fiscal year of the 2002–03 biennium for administrative expenses associated with the secretary of the Council and the reimbursement of actual and necessary expenses of Council members. In addition, the "Number of Full-Time Equivalent Positions (FTE)" figure indicated above for the Water Development Board is hereby increased by one in each fiscal year of the 2002–03 biennium, and the Water Advisory Council is hereby authorized one full time equivalent position in each year of the biennium.

Contingent upon passage of Senate Bill 2 by the Seventy-seventh Legislature, Regular Session, or similar legislation relating to the management of the water resources of the state, the Natural Resource Conservation Commission is hereby appropriated $100,000 out of the General Revenue Fund in each fiscal year of the biennium for activities related to the designation of priority groundwater management areas.

Sec. 11.17. **Contingent Appropriation for Senate Bill 342.** Contingent upon the enactment of Senate Bill 342, or similar legislation, relating to the participation of the Texas Department of Transportation in the acquisition, construction, maintenance, and operation of toll facilities; the enactment of Senate Bill 4, or similar legislation, relating to the administration and use of the Texas Mobility Fund and the issuance of obligations for financing the construction, reconstruction, acquisition, and expansion of state highways and other mobility projects; and the enactment and voter approval of Senate Joint Resolution 16, or similar legislation, proposing a constitutional amendment creating the Texas Mobility Fund and authorizing grants and loans of money and issuance of obligations for financing the construction, reconstruction, acquisition, operation, and expansion of state highways, turnpikes, toll roads, toll bridges, and other mobility projects, any balances from General Revenue Account 5038-TxDOT Turnpike Authority estimated to be $2,300,000 remaining as of August 31, 2001, from appropriations made to the Texas Department of Transportation to study, design, construct, operate, expand, enlarge, or extend turnpike projects shall be transferred to the Texas Mobility Fund for the purposes of that fund. If Senate Joint Resolution 16, or similar legislation, is not enacted and does not receive voter approval and Senate Bill 4, or similar legislation, does not become enacted, no transfer shall be made.

*Modified Method of Financing.

Sec. 11.18. **Contingency Appropriation for House Bill 3096 - Post Reservoir Project Development.** Contingent upon the enactment of House Bill 3096 or similar legislation relating to the development of the Post Reservoir by the Seventy-seventh Legislature, Regular Session, the Water Development Board is hereby appropriated $1,700,000 out of the General Revenue Fund for the fiscal year beginning September 1, 2001, to be used for the purpose of conducting feasibility studies, preparing and evaluating design alternatives, conducting permitting studies, and other costs associated with project development for the Post Reservoir. Any unexpended balances remaining in this appropriation on August 31, 2002 are hereby appropriated for the fiscal year beginning September 1, 2002.

Sec. 11.19. **Contingency Appropriation for House Bill 1537.** Contingent upon the enactment of House Bill 1537, or similar legislation relating to a study and a pilot program regarding the provision of medical assistance and certain health benefits plan coverage for children of migrant or seasonal agricultural workers, by the 77th Legislature, Regular Session, the Health and Human Services Commission is hereby appropriated $121,000 for fiscal year 2002 and $260,891 for fiscal year 2003 out of the General Revenue Fund and $54,678 from Tobacco CHIP funds for fiscal year 2003 for the purpose of implementing that Act. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

* Sec. 11.20. **Contingency Appropriation for Senate Bill 1595.** Contingent upon the enactment of Senate Bill 1595, or similar legislation relating to recruitment of school teachers, financial assistance for persons seeking certification as public school teachers, revisions to the Teach for Texas Grant program, and loan repayment assistance for certain classroom teachers, the Higher Education Coordinating Board is appropriated $3,000,000 in General Revenue in fiscal year 2002 and $8,000,000 in General Revenue in fiscal year 2003 for the Teach for Texas Grant Program and $2,500,000 in General Revenue in fiscal year 2002 and $2,500,000 in General Revenue in fiscal year 2003 for loan repayment assistance for classroom teachers for the purpose of implementing the Act. Of the funds appropriated, the board may retain $200,000 in each year of the biennium to administer the Teach for Texas Grant Program and $100,000 in each year of the biennium to administer the loan repayment assistance program for classroom teachers.

Also contingent upon the enactment of Senate Bill 1595 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 4.0 in fiscal year 2002 and 6.5 in fiscal year 2003.

Sec. 11.21. **Contingency Appropriation for House Bill 2766.** Contingent upon the enactment of House Bill 2766, or similar legislation relating to repayment assistance for certain education loans owed by certain state attorneys, the Higher Education Coordinating Board is appropriated $50,000 in General Revenue in fiscal year 2002 and $50,000 in General Revenue in fiscal year 2003 for the purpose of implementing the Act.

Sec. 11.22. **Contingency Appropriation for Senate Bill 353.** Contingent upon the enactment of Senate Bill 353, or similar legislation relating to certain programs to develop the technology workforce in Texas by supporting and promoting higher education in engineering and computer science, the Higher Education Coordinating Board is appropriated $5,078,000 from Smart Jobs Fund No. 0891 in fiscal year 2002 and $5,078,000 from Smart Jobs Fund No. 0891 in fiscal year 2003 for the purpose of implementing the Act.

Also contingent upon the enactment of Senate Bill 353 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 1.0 in fiscal year 2002 and 1.0 in fiscal year 2003.

*See Senate Bill 1057 for similar legislation.

Sec. 11.23. **Contingency Appropriation for House Bill 2323.** Contingent upon the enactment of House Bill 2323, or similar legislation relating to repayment assistance for certain law school loans of persons providing legal services to the indigent, the Higher Education Coordinating Board is appropriated $100,000 in General Revenue in fiscal year 2002 and $100,000 in General Revenue in fiscal year 2003 for the purpose of implementing the Act.

Sec. 11.24. **Contingency Appropriation for House Bills 915 and 1094.** Contingent upon the enactment by the 77th Legislature, Regular Session, of House Bill 915, or similar legislation relating to the bulk purchasing of prescription drugs, and House Bill 1094, or similar legislation relating to the creation of a state prescription drug program for certain Medicare beneficiaries, the Health and Human Services Commission is hereby appropriated $17,500,000 in General Revenue for fiscal year 2002 and $17,500,000 in General Revenue for fiscal year 2003 for the purpose of implementing those Acts. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern.

Sec. 11.25. **Contingency Appropriation for Senate Bill 532.** Contingent upon enactment of Senate Bill 532 of the Seventy-seventh Legislature, Regular Session, or similar legislation relating to medical assistance for certain persons in need of treatment for breast or cervical cancer, the Health and Human Services Commission is hereby appropriated $510,602 in General Revenue and $1,322,140 in Federal Funds for fiscal year 2002, and $512,251 in General Revenue and $1,320,491 in Federal Funds for fiscal year 2003. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern.

Sec. 11.26. **Contingency Appropriation for Senate Bill 789.** Contingent upon the enactment of Senate Bill 789, or similar legislation relating to the regulation and reimbursement of telemedicine medical services, by the 77th Legislature, Regular Session:

(a) The Department of Health is hereby appropriated $556,763 in Telecommunications Infrastructure Funds and $1,122,056 in Federal Funds for fiscal year 2002, and $2,827,035 in Telecommunications Infrastructure Funds and $3,934,821 in Federal Funds for fiscal year 2003 for the purpose of implementing that Act. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern;

(b) The Health and Human Services Commission is hereby appropriated $167,141 in Telecommunications Infrastructure Funds and $342,489 in Federal Funds for fiscal year 2002, and $282,546 in Telecommunications Infrastructure Funds and $631,818 in Federal Funds for fiscal year 2003 for the purpose of implementing that Act. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern. The "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Health and Human Services Commission's bill pattern is hereby increased by 1.0 for fiscal year 2002 and by 0.5 for fiscal year 2003; and

(c) The Health and Human Services Commission may reimburse expenses for the telemedicine advisory committee and the teledentistry pilot project advisory committee out of funds appropriated to the Health and Human Services Commission.

Sec. 11.27. **Contingency Appropriations for Senate Bill 831.** Contingent upon enactment of Senate Bill 831 of the Seventy-seventh Legislature, Regular Session, or similar legislation relating to establishment of a medical assistance buy-in pilot program for certain persons with disabilities, the

Health and Human Services Commission is hereby appropriated $88,655 in General Revenue and $634,096 in Federal Funds for fiscal year 2002, and $177,844 in General Revenue and $303,406 in Federal Funds for fiscal year 2003. Such appropriations are contingent upon the commission collecting revenues from premium cost-sharing totaling $275,400 in fiscal year 2002 and $550,800 in fiscal year 2003. The Health and Human Services Commission is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the commission's bill pattern.

* Sec. 11.28. **Contingency Appropriation for House Bill 2513.** Contingent upon the enactment of House Bill 2513, or similar legislation relating to financial assistance for persons seeking certification as public school teachers, including revisions to the Teach for Texas Grant program, the State Board for Educator Certification is appropriated $5,000,000 in General Revenue in each year of the 2002-2003 biennium for the Teach for Texas Alternative Certification Program and $211,255 in fiscal year 2002 and $135,255 in fiscal year 2003 for the purpose of implementing the Act; and the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the State Board for Educator Certification is hereby increased by 2.0 in fiscal year 2002 and 2.0 in fiscal year 2003.

** Also contingent upon passage of the aforementioned legislation, the Higher Education Coordinating Board is appropriated $3,000,000 in General Revenue in fiscal year 2002 and $8,000,000 in General Revenue in fiscal year 2003 for the Teach for Texas Grant Program. Out of this appropriation, the Board may retain $179,642 in each year 2002** and $139,642 in fiscal year 2003 for administration of the program. Also contingent upon the enactment of House Bill 2513 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 4.0 in fiscal year 2002 and 4.0 in fiscal year 2003.

Sec. 11.29. **Contingency Appropriation: Senate Bill 311 State Surplus Property Program.** Contingent upon legislation relating to consolidating the state's surplus property program at the General Services Commission or its successor agency, $48,000 out the General Revenue Fund and one full-time equivalent position is hereby appropriated to the General Services Commission or its successor agency for each fiscal year 2002 and 2003, beginning September 1, 2001. The authorized number of full-time equivalent positions for the General Services Commission or its successor agency is hereby increased by one position.

*** Sec. 11.30. **Contingent Appropriation for House Bill 3452.** Contingent upon the enactment of House Bill 3452 and the transfer of the funds in the Smart Jobs Trust Fund 891 to a new general revenue-dedicated account, the Texas Workforce Commission is hereby appropriated an amount from the new general revenue-dedicated account necessary to bring the balance of the Unemployment Compensation Fund from a deficit to the designated floor amount. The Texas Workforce Commission must have received authorization from the Legislative Budget Board and the Governor to access the amount requested for the appropriation to be available for transfer to the Unemployment Compensation Fund.

Sec. 11.31. **Contingency for Appropriation and Reimbursement of Advisory Committee Members for HB 3507.**

(a) Contingent upon the enactment of House Bill 3507 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of dentistry and the provision of dental services, the appropriations made by this Act are hereby adjusted as follows:

(1) The Texas Department of Health is hereby appropriated $57,823 in General Revenue and $44,662 in Federal Funds for fiscal year 2002; appropriations made by this Act to the Texas Department of Health are hereby reduced by $114,377 in General Revenue

*See Veto Proclamation. **Should read "in fiscal year 2002." ***House Bill 3452 did not pass.

and $172,138 in Federal Funds for fiscal year 2003. The Texas Department of Health is hereby authorized to adjust the appropriations made pursuant to this provision in the appropriate strategy items of the department's bill pattern.

(2) The Health and Human Services Commission is hereby appropriated $38,065 in General Revenue and $38,065 in Federal Funds for fiscal year 2002, and $17,432 in General Revenue and $17,432 in Federal Funds for fiscal year 2003. The "Number of Full-time Equivalent Positions (FTE)" figure indicated in the Health and Human Services Commission's bill pattern in Article II of this Act is hereby increased by one (1) in fiscal year 2002 and one-half (0.5) in fiscal year 2003. The Health and Human Services Commission is hereby authorized to adjust the appropriations made pursuant to this provision in the appropriate strategy items of the commission's bill pattern.

(b) Contingent upon the enactment of House Bill 3507 or similar legislation by the Seventy-seventh Legislature, Regular Session and pursuant to V.T.C.A., Government Code, Section 2110.004, the Health and Human Services Commission may reimburse expenses for the teledentistry pilot project advisory committee out of funds appropriated to the Health and Human Services Commission.

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
State Employee Pay Raise, Rider Appropriations	121,994,158	136,934,473
Targeted Pay Raise, Rider Appropriations	5,100,000	0
State Longevity	$ 24,709,333	$ 24,883,370
Contingency Appropriation for House Bill 658	0	76,423,392
County Extension Agent Salary Increase, Rider Appropriations	0	138,422
Contingency Appropriation for House Bill 1839	33,774,000	0
Contingency Appropriation for Senate Bill 311	(3,855,000)	(23,500,000)
Contingency Approp Transfers: Billings - Statewide Allocated Costs, Contingency Appropriations	(16,560,000)	(16,560,000)
Contingency Appropriation for HB 3064 and HJR 97	(14,900,000)	0
TOTAL, ARTICLE IX - GENERAL PROVISIONS	$ 150,262,491	$ 198,319,657

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
State Employee Pay Raise, Rider Appropriations	42,642,717	47,716,122
State Longevity	$ 3,265,895	$ 3,296,144
Contingency Appropriation for Senate Bill 311	0	(2,240,000)
TOTAL, ARTICLE IX - GENERAL PROVISIONS	$ 45,908,612	$ 48,772,266

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Federal Funds)

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
State Employee Pay Raise, Rider Appropriations	33,219,341	37,431,716
Targeted Pay Raise, Rider Appropriations	2,700,000	0
State Longevity	$ 7,029,248	$ 7,029,248
TOTAL, ARTICLE IX - GENERAL PROVISIONS	$ 42,948,589	$ 44,460,964

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(Other Funds)

	For the Years Ending August 31, 2002	For the Years Ending August 31, 2003
State Employee Pay Raise, Rider Appropriations	43,024,601	48,421,708
State Longevity	$ 5,595,105	$ 5,603,839
Contingency Appropriation for Senate Bill 311	(55,000)	(3,275,000)
Contingency Appropriation for HB 3064 and HJR 97	0	131,067,752
Less Interagency Contracts	$ (55,000)	$ (3,275,000)
TOTAL, ARTICLE IX - GENERAL PROVISIONS	$ 48,619,706	$ 185,093,299

RECAPITULATION - ARTICLE IX
GENERAL PROVISIONS
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
State Employee Pay Raise, Rider Appropriations	240,880,817	270,504,019
Targeted Pay Raise, Rider Appropriations	7,800,000	0
State Longevity	$ 40,599,581	$ 40,812,601
Contingency Appropriation for House Bill 658	0	76,423,392
County Extension Agent Salary Increase, Rider Appropriations	0	138,422
Contingency Appropriation for House Bill 1839	33,774,000	0
Contingency Appropriation for Senate Bill 311	(3,910,000)	(29,015,000)
Contingency Approp Transfers: Billings - Statewide Allocated Costs, Contingency Appropriations	(16,560,000)	(16,560,000)
Contingency Appropriation for HB 3064 and HJR 97	(14,900,000)	131,067,752
Less Interagency Contracts	$ (55,000)	$ (3,275,000)
TOTAL, ARTICLE IX - GENERAL PROVISIONS	$ 287,739,398	$ 476,646,186

ARTICLE X

THE LEGISLATURE

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

SENATE

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: SENATE		
A.1.1. Strategy: SENATE	$ 30,499,006	$ 32,582,353
Grand Total, SENATE	$ 30,499,006	$ 32,582,353

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Senate may be expended for constitutionally authorized annual salaries for Members of the Senate and the Lieutenant Governor, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling and other expenses of the Senate including interim expenses of the Seventy-seventh and Seventy-eighth Legislatures as may be authorized by law or by resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The Texas Senate shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the Texas Senate during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 2001, in the appropriations made by the Legislature to the Senate are hereby appropriated to the Senate for the same purposes for the biennium beginning September 1, 2001.

HOUSE OF REPRESENTATIVES

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: HOUSE OF REPRESENTATIVES		
A.1.1. Strategy: HOUSE OF REPRESENTATIVES	$ 29,574,004	$ 38,370,319
Grand Total, HOUSE OF REPRESENTATIVES	$ 29,574,004	$ 38,370,319
Method of Financing:		
General Revenue Fund	$ 29,299,004	$ 38,080,319
Appropriated Receipts	275,000	290,000
Total, Method of Financing	$ 29,574,004	$ 38,370,319

1. **Purposes For Which Appropriations May Be Expended.** Funds appropriated to the House of Representatives may be expended for Constitutionally authorized annual salaries for Members of the House of Representatives, per diem, other salaries and wages, consumable supplies and materials, current and recurring operating expenses, films, membership dues in the National Conference of State Legislatures and in any national or regional organization of legislative leaders, capital outlay, building repair and remodeling, and other expenses for the House of Representatives, including interim expenses of the Seventy-seventh and Seventy-eighth Legislatures as may be authorized by law or resolution.

2. **Appropriation of Fees: Rental Space in Capitol Building.** The House of Representatives shall charge a reasonable fee for rental of space within the State Capitol Building under its control and authority. Any fees so collected are hereby appropriated for use by the House during the biennium covered by this Act.

3. **Unexpended Balances.** Any unexpended balances as of August 31, 2001, in the appropriations made by the Legislature to the House of Representatives are hereby appropriated to the House of Representatives for the same purposes for the biennium beginning September 1, 2001.

4. **Transfer Authority.** Transfers in an amount determined by the Speaker of the House may be made from these balances for the purpose of funding Senate Bill No. 54, Acts of the Sixty-fifth Legislature, Regular Session.

5. **Unexpended Balances: Senate and House of Representatives.** Any unexpended balances as of August 31, 2002 in the appropriations made hereinabove to the Senate and the House of Representatives are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

6. **Transfer and Appropriation to Legislative Budget Board Account.** Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred, upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Legislative Budget Board such sums as may be deemed necessary but not to exceed an aggregate of $4,508,300 for the fiscal year beginning September 1, 2001 and $4,508,300 for the fiscal year beginning September 1, 2002, for maintaining the operations of said Legislative Budget Board. In addition to amounts identified elsewhere in this provision, there is hereby appropriated to the Legislative Budget Board out of the General Revenue Fund a total of $7,095,280 for the 2002–03 biennium in lieu of prior and other interagency transfers, including: $300,000 in each fiscal year from the Texas Education Agency for school finance modeling; $250,000 in each fiscal year from the Texas Education Agency for the Educational Economic Policy Center; $340,000 in each fiscal year from the Texas Department of Human Services for the Federal Funds Analysis Unit; $408,700 each fiscal year from the Texas Legislative Council for computer support; $1,409,940 each fiscal year for other necessary expenses in carrying out the provisions of Chapter 322, Government Code; and $839,000 each fiscal year from the Department of Information Resources to evaluate and review information planning and information systems and strategic and biennial operating plans.

   Such sums as may be transferred to an account for the Legislative Budget Board shall be budgeted by said Board pursuant to Chapter 322, Government Code, and any amendments thereto including the payment of travel expenses and registration fees incurred by Budget Board members or members of its staff in attending meetings on problems of federal-state relations, interstate problems, problems affecting state or local governments, and meetings sponsored by the Council of State Governments or any of its affiliated organizations, and contributions incident to membership in national or regional organizations of state governments.

7. **Unexpended Balances: Legislative Budget Board.**

   a. Any unexpended balances as of August 31, 2001, in the appropriations made to the Legislative Budget Board for fiscal year 2001, are hereby appropriated to the Legislative Budget Board for the biennium beginning September 1, 2001.

   b. Any unexpended balances as of August 31, 2002, in the appropriations made hereinabove to the Legislative Budget Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

   c. Notwithstanding any other appropriation, there is hereby appropriated to the Legislative Budget Board $324,905 for use during fiscal year 2002 and $664,755 for use during fiscal year 2003 from funds appropriated for use during the 2002-03 biennium that remain as unexpended balances on August 31, 2001.

8. **Transfer to Sunset Advisory Commission Account and Unexpended Balances.**

   a. Out of the appropriations made in this Article for the Senate or the House of Representatives, there may be transferred upon the written approval of the Lieutenant Governor or the Speaker of the House, to an appropriations account for the Sunset Advisory Commission such sums as may be deemed necessary but not to exceed an aggregate of $1,574,725 for the fiscal year beginning September 1, 2001, and $1,610,376 for the fiscal year beginning September 1, 2002, for maintaining the operations of the Commission. Any unexpended balances as of August 31, 2002, in the appropriations made hereinabove to the Sunset Advisory Commission are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

   b. Any unexpended balances as of August 31, 2001, in the appropriations made to the Sunset Advisory Commission for fiscal year 2001, are hereby appropriated to the Sunset Advisory Commission for the biennium beginning September 1, 2001.

LEGISLATIVE COUNCIL

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: LEGISLATIVE COUNCIL		
A.1.1. Strategy: LEGISLATIVE COUNCIL	$ 39,178,545	$ 39,544,725
Grand Total, LEGISLATIVE COUNCIL	$ 39,178,545	$ 39,544,725

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Council may be expended for payment of salaries and other necessary expenses to carry out the council's statutory powers and duties (including those powers and duties provided by Chapters 301, 323, and 326, Government Code; §§ 531.203, 762.011, and 2053.004, Government Code; and § 276.008, Election Code) and to carry out responsibilities assigned pursuant to legislative resolution. Out of the funds appropriated above $1,000,000 each shall be transferred annually to the Senate and the House of Representatives for printing costs and $50,000 each shall be transferred annually for moving expenses.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2001 previously appropriated to the Legislative Council are hereby appropriated to the Council for the biennium beginning September 1, 2001 for the purposes stated in Rider provision 1 of the preceding appropriation to the Council.

   Any unexpended balances in the appropriations account of the Legislative Council as of August 31, 2002 are hereby appropriated to the Legislative Council for the fiscal year beginning September 1, 2002.

3. **Appropriation of Fees: Charges for Information Services.** In addition to other amounts appropriated, there is appropriated to the Legislative Council for the fiscal years beginning September 1, 2001 and September 1, 2002 any amounts received as charges under § 323.014(c), Government Code.

COMMISSION ON UNIFORM STATE LAWS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: COMMISSION ON UNIFORM STATE LAWS		
A.1.1. Strategy: COMMISSION ON UNIFORM STATE LAWS	$ 92,600	$ 96,275
Grand Total, COMMISSION ON UNIFORM STATE LAWS	$ 92,600	$ 96,275

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Commission on Uniform State Laws may be expended for payment of the contribution by the State of Texas to the National Conference of Commissioners on Uniform State Laws and for payment of other necessary expenses of the commission in carrying out provisions of Chapter 415, Acts, Fifty-second Legislature, Regular Session, 1951, as amended by Chapter 735, Acts, Sixty-fifth Legislature, Regular Session, 1977, including the printing of the commission's report and travel expenses of members of the commission to attend annual meeting of the National Conference of Commissioner's on Uniform State Laws and travel to the state capitol on commission business.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2001 in the general appropriations made for the Commission on Uniform State Laws are hereby appropriated to the Commission on Uniform State Laws for the same purposes for the biennium beginning September 1, 2001.

   Any unexpended balances in the appropriations of the Commission on Uniform State Laws as of August 31, 2002 are hereby appropriated to the Commission on Uniform State Laws for the fiscal year beginning September 1, 2002.

STATE AUDITOR'S OFFICE

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: STATE AUDITOR		
A.1.1. Strategy: STATE AUDITOR	$ 13,266,657	$ 13,266,657
Grand Total, STATE AUDITOR'S OFFICE	$ 13,266,657	$ 13,266,657
Method of Financing:		
General Revenue Fund	$ 11,866,657	$ 11,866,657
Appropriated Receipts	1,400,000	1,400,000
Total, Method of Financing	$ 13,266,657	$ 13,266,657

1. **Legislative Audit Committee Direction.** The sums appropriated for the State Auditor's Office are to be expended under the direction and subject to the control of the Legislative Audit Committee in furtherance of the functions assigned by statute to the department.

2. **Fund Transfers for Reimbursement of Services.** In order that the General Revenue Fund may be reimbursed for the expenses of services performed for state agencies, departments, commissions, boards or divisions supported from funds other than the General Revenue Fund, it is hereby provided that the State Auditor may request the Comptroller to make transfers from unappropriated balances of such other funds to the General Revenue Fund. It is further provided that transfers may be requested from federal grant funds on deposit within special appropriations maintained by the state agencies, departments, commissions, boards or divisions in the General Revenue Fund. The amounts so requested for all transfers are to be based on actual costs of such services, and transfer of the requested amounts shall be made by the Comptroller with the approval of the Legislative Audit Committee.

   Where work is performed for state agencies, departments, commissions, boards or divisions that do not carry their funds in the State Treasury, it is hereby provided that reimbursement shall be made out of such funds to the General Revenue Fund for actual cost of such work, and billings therefor shall be made by the State Auditor with the approval of the Legislative Audit Committee.

3. **Appropriation of Reimbursements for Audit Activities.** Reimbursements received for work performed in fulfillment of federal audit requirements are hereby appropriated to the State Auditor's Office.

   Reimbursements for costs incurred for work performed in auditing or oversight type reviews, as directed by the Legislature, of entities other than those defined as state departments and institutions of higher education, are hereby appropriated to the State Auditor's Office. (Examples of this type of work include reviews of river authorities, special districts, regional or metropolitan transit authorities, or other political subdivisions created by acts of the Legislature.)

4. **Unexpended Balances.** Any unexpended balance as of August 31, 2001, in amounts previously appropriated to the State Auditor from the General Revenue Fund is hereby appropriated to the State Auditor for the same purposes for the biennium beginning September 1, 2001.

   Any unexpended balance remaining in the appropriations of the State Auditor as of August 31, 2002, is hereby appropriated to the State Auditor for the same purposes for the fiscal year beginning September 1, 2002.

Notwithstanding any other appropriation, there is hereby appropriated to the State Auditor's Office $825,000 each fiscal year of the biennium from funds appropriated for use during the 2002-2003 biennium that remain as unexpended balances on August 31, 2001.

5. **Notification of State Auditor Reports.** The State Auditor shall provide copies of audit reports to the respective affected agencies and to the Legislative Audit Committee prior to public release of any audit or audit information.

6. **Higher Education Authority Audits.** Out of funds appropriated, the State Auditor's Office shall audit the Higher Education Authorities created under Chapter 53 of the Education Code by the cities of Cameron and Westlake.

LEGISLATIVE REFERENCE LIBRARY

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: LEGISLATIVE REFERENCE LIBRARY		
A.1.1. Strategy: LEGISLATIVE REFERENCE LIBRARY	$ 1,161,966	$ 1,220,263
Grand Total, LEGISLATIVE REFERENCE LIBRARY	$ 1,161,966	$ 1,220,263
Method of Financing:		
General Revenue Fund	$ 1,144,966	$ 1,202,263
Appropriated Receipts	12,000	13,000
Interagency Contracts	5,000	5,000
Total, Method of Financing	$ 1,161,966	$ 1,220,263

1. **Purposes for Which Appropriations May Be Expended.** Funds appropriated to the Legislative Reference Library may be expended for library administration and services, for salaries and wages, travel, consumable supplies and materials, current and recurring operating expenses, capital outlay, books and periodicals, and other necessary expenses to be expended under the direction of the Legislative Library Board.

2. **Unexpended Balances.** Any unexpended balances as of August 31, 2001, in the general appropriations made to the Legislative Reference Library are hereby appropriated for the biennium beginning September 1, 2001.

   Any unexpended balances as of August 31, 2002, in the appropriations made hereinabove to the Legislative Reference Library are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2002.

   Notwithstanding any other appropriation, there is hereby appropriated to the Legislative Reference Library $264,700 for use during fiscal year 2002 and $149,700 during fiscal year 2003 from funds appropriated for use during the 2002-03 biennium that remain as unexpended balances on August 31, 2001.

SPECIAL PROVISIONS RELATING TO THE LEGISLATURE

Sec. 2. (a) A provision of the General Provisions of this Act that restricts or limits the use or transfer of appropriated funds, or that imposes a duty or places a limitation or condition precedent on a state agency, applies to entities and appropriations under this Article only to the extent that the provision by its terms specifically and expressly applies to those entities or appropriations. A general reference to "funds appropriated by this Act" or similar words is not specific and express application for purposes of this section.

(b) Amounts appropriated under this Article may be transferred among entities covered by this Article in accordance with Chapter 326, Government Code.

Sec. 3 **Authorization to Spend Unexpended Balances.** Notwithstanding any other provision contained herein, a legislative agency may only spend prior year balances with the approval of its respective governing board.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: EMPLOYEES RETIREMENT SYSTEM		
A.1.1. Strategy: RETIREMENT CONTRIBUTIONS Provide an actuarially sound level of funding as defined by state law. Estimated.	$ 4,785,031	$ 4,880,732
A.1.2. Strategy: GROUP INSURANCE Provide a basic health care and life insurance program for general state employees. Estimated.	$ 11,749,570	$ 13,308,807
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 16,534,601	$ 18,189,539
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 16,534,601	$ 18,189,539

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH – EMPLOYER Provide an employer match for Social Security contributions. Estimated.	$ 5,945,961	$ 6,064,880

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY
(Continued)

A.1.2. Strategy: BENEFIT REPLACEMENT PAY Provide Benefit Replacement Pay to eligible employees. Estimated.	$ 881,471	$ 817,697
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 6,827,432	$ 6,882,577
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 6,827,432	$ 6,882,577

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
Senate	$ 30,499,006	$ 32,582,353
House of Representatives	29,299,004	38,080,319
Legislative Budget Board, Rider Appropriations	3,547,640	3,547,640
Legislative Council	39,178,545	39,544,725
Commission on Uniform State Laws	92,600	96,275
State Auditor's Office	11,866,657	11,866,657
Legislative Reference Library	1,144,966	1,202,263
Subtotal, Legislature	$ 115,628,418	$ 126,920,232
Retirement and Group Insurance	16,534,601	18,189,539
Social Security and Benefit Replacement Pay	6,827,432	6,882,577
TOTAL, ARTICLE X - THE LEGISLATURE	$ 138,990,451	$ 151,992,348

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
House of Representatives	$ 275,000	$ 290,000
State Auditor's Office	1,400,000	1,400,000
Legislative Reference Library	17,000	18,000
Subtotal, Legislature	$ 1,692,000	$ 1,708,000
Less Interagency Contracts	$ 5,000	$ 5,000
TOTAL, ARTICLE X - THE LEGISLATURE	$ 1,687,000	$ 1,703,000

RECAPITULATION - ARTICLE X
THE LEGISLATURE
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
Senate	$ 30,499,006	$ 32,582,353
House of Representatives	29,574,004	38,370,319
Legislative Budget Board, Rider Appropriations	3,547,640	3,547,640
Legislative Council	39,178,545	39,544,725
Commission on Uniform State Laws	92,600	96,275
State Auditor's Office	13,266,657	13,266,657
Legislative Reference Library	1,161,966	1,220,263
Subtotal, Legislature	$ 117,320,418	$ 128,628,232
Retirement and Group Insurance	16,534,601	18,189,539
Social Security and Benefit Replacement Pay	6,827,432	6,882,577
Less Interagency Contracts	$ 5,000	$ 5,000
TOTAL, ARTICLE X - THE LEGISLATURE	$ 140,677,451	$ 153,695,348

ARTICLE XII

TOBACCO SETTLEMENT RECEIPTS

From receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release and other funding sources, and pursuant to House Bills 1676 and 1945, Seventy-sixth Legislature, the following appropriations for the 2002–03 biennium are hereby made:

TOBACCO SETTLEMENT RECEIPTS

	For the Years Ending August 31, 2002	August 31, 2003
A. Goal: TOBACCO SETTLEMENT RECEIPTS		
Appropriations Made from Tobacco Settlement Receipts.		
A.1.1. Strategy: CHILDREN'S HEALTH INS PROGRAM	$ 204,211,674	$ 214,942,711 & UB
Children's Health Insurance Program.		
A.1.2. Strategy: MHMR NEW GENERATION MEDICATION	$ 15,250,000	$ 15,250,000 & UB
Department of Mental Health and Mental Retardation - New Generation Medications.		
A.1.3. Strategy: DHS ADDL DEPNDNT CHILDREN WAIVERS	$ 4,020,482	$ 3,272,507 & UB
Department of Human Services - Additional Medically Dependent Children's Program Waiver Services.		
A.1.4. Strategy: HHSC ADDL DEPNDNT CHILDREN WAIVERS	$ 1,822,649	$ 1,822,649 & UB
Health and Human Services Commission - Additional Acute Care Services for Children Enrolled in Medically Dependent Children's Program Waiver Services.		
A.1.5. Strategy: TDH CHILDREN'S IMMUNIZATIONS	$ 2,700,000	$ 2,700,000 & UB
Department of Health - Immunizations for Children.		
A.1.6. Strategy: TDH NEWBORN HEARING SCREENING	$ 620,000	$ 620,000 & UB
Department of Health - Newborn Hearing Screening.		
A.1.7. Strategy: COMMUNITY MH CHILDREN'S SVCS	$ 7,500,000	$ 7,500,000 & UB
Department of Mental Health and Mental Retardation - Mental Health Community Services for Children.		
A.1.8. Strategy: RESPITE CARE	$ 500,000	$ 500,000 & UB
Interagency Council on Early Childhood Intervention - Respite Care.		
A.1.9. Strategy: DHS COMMUNITY CARE	$ 73,932,310	$ 61,929,403 & UB
Department of Human Services - DHS Community Care.		

TOBACCO SETTLEMENT RECEIPTS
(Continued)

A.1.10. Strategy: MHMR HOME/COMMUNITY SERVICES WAIVER	$ 17,300,000	$ 17,300,000 & UB
Department of Mental Health and Mental Retardation - Home and Community-based Services Waiver.		
A.1.11. Strategy: HHSC - MEDICAID SIMPLIFICATION	$ 61,300,000	$ 61,300,000
Health and Human Services Commission - Medicaid Simplification for Children.		
A.1.12. Strategy: HHSC - MEDICAID PROVIDER RATES	$ 60,000,000	$ 60,000,000
Health and Human Services Commission - Medicaid Provider Rates.		
A.1.13. Strategy: MHMR - COMMUNITY CENTERS	$ 14,400,000	$ 14,400,000
Department of Mental Health and Mental Retardation - Community Centers (Rate Change - Drug Costs).		
Total, Goal A: TOBACCO SETTLEMENT RECEIPTS	$ 463,557,115	$ 461,537,270

B. Goal: PERMANENT FUNDS

Appropriations made from Permanent Funds Created by HB 1676 and HB 1945, 76th Legislature.

B.1.1. Strategy: MINORITY HEALTH RESEARCH/EDUCATION	$ 1,125,000	$ 1,125,000
Out of the Permanent Fund for Minority Health Research and Education to Texas Higher Education Coordinating Board. Estimated.		
B.1.2. Strategy: TOBACCO EDUCATION AND ENFORCEMENT	$ 9,000,000	$ 9,000,000
Out of the Permanent Fund for Tobacco Education and Enforcement to the Texas Department of Health. Estimated.		
B.1.3. Strategy: CHILDREN & PUBLIC HEALTH	$ 4,500,000	$ 4,500,000
Out of the Permanent Fund for Children and Public Health to the Texas Department of Health. Estimated		
B.1.4. Strategy: EMS AND TRAUMA CARE	$ 4,500,000	$ 4,500,000
Out of the Permanent Fund for Emergency Medical Services and Trauma Care to the Texas Department of Health. Estimated		
B.1.5. Strategy: RURAL HEALTH FACILITY CAPITAL	$ 2,250,000	$ 2,250,000
Out of the Permanent Fund for Rural Health Facility Capital Improvement to the Center for Rural Health Initiatives. Estimated		
B.1.6. Strategy: SMALL URBAN HOSPITALS	$ 1,125,000	$ 1,125,000
Out of the Community Hospital Capital Improvement Fund to the Texas Department of Health. Estimated		
B.1.7. Strategy: HLTH-RELATED HIGHER ED INSTITUTIONS	$ 15,750,000	$ 15,750,000
Out of the Permanent Health Fund for Higher Education to the Health-related Institutions of Higher Education listed as recipients of the fund. Estimated.		

TOBACCO SETTLEMENT RECEIPTS
(Continued)

B.1.8. Strategy: NURSING, ALLIED HLTH FUND Out of the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-related Programs to the Texas Higher Education Coordinating Board. Estimated	$ 2,025,000	$ 2,025,000
Total, Goal B: PERMANENT FUNDS	$ 40,275,000	$ 40,275,000
C. Goal: ENDOWMENT FUNDS-HIGHER EDUCATION Appropriations to the Following Institutions of Higher Education from Endowment Funds Established for the Following Institutions of Higher Education.		
C.1.1. Strategy: UTHSC - SAN ANTONIO The University of Texas Health Science Center at San Antonio. Estimated	$ 9,000,000	$ 9,000,000
C.1.2. Strategy: UTMDA CANCER CENTER The University of Texas M.D. Anderson Cancer Center. Estimated	$ 4,500,000	$ 4,500,000
C.1.3. Strategy: UTSWMC - DALLAS The University of Texas Southwestern Medical Center at Dallas. Estimated	$ 2,250,000	$ 2,250,000
C.1.4. Strategy: UT MED BRANCH - GALVESTON The University of Texas Medical Branch at Galveston. Estimated	$ 1,125,000	$ 1,125,000
C.1.5. Strategy: UTHSC - HOUSTON The University of Texas Health Science Center at Houston. Estimated	$ 1,125,000	$ 1,125,000
C.1.6. Strategy: UTHC - TYLER The University of Texas Health Center at Tyler. Estimated	$ 1,125,000	$ 1,125,000
C.1.7. Strategy: UT - EL PASO The University of Texas at El Paso. Estimated.	$ 1,125,000	$ 1,125,000
C.1.8. Strategy: TAMUS HEALTH SCIENCE CENTER Texas A&M University System Health Science Center. Estimated	$ 1,125,000	$ 1,125,000
C.1.9. Strategy: UNT HEALTH SCIENCE CENTER-FT WORTH The University of North Texas Health Science Center at Fort Worth. Estimated	$ 1,125,000	$ 1,125,000
C.1.10. Strategy: TTUHSC (EL PASO) Texas Tech University Health Sciences Center (El Paso). Estimated	$ 1,125,000	$ 1,125,000
C.1.11. Strategy: TTUHSC - (OTHER THAN EL PASO) Texas Tech University Health Sciences Center (Other Than El Paso). Estimated	$ 1,125,000	$ 1,125,000
C.1.12. Strategy: BAYLOR COLLEGE OF MEDICINE Texas Higher Education Coordinating Board for the Baylor College of Medicine. Estimated	$ 1,125,000	$ 1,125,000
C.1.13. Strategy: LOWER RIO GRANDE VAL RAHC Out of the Permanent Endowment Fund Created for the Lower Rio Grande Valley Regional Academic Health Center Endowment to the Lower Rio Grande Valley Regional Academic Health Center. Estimated	$ 900,000	$ 900,000
Total, Goal C: ENDOWMENT FUNDS-HIGHER EDUCATION	$ 26,775,000	$ 26,775,000
Grand Total, TOBACCO SETTLEMENT RECEIPTS	$ 530,607,115	$ 528,587,270

TOBACCO SETTLEMENT RECEIPTS
(Continued)

Method of Financing:		
General Revenue Fund		
Tobacco Settlement Receipts	$ 58,307,599	$ 58,664,793
Tobacco Settlement Receipts Match for Medicaid	229,145,243	224,240,236
Tobacco Settlement Receipts Match for CHIP	176,104,273	178,632,241
Subtotal, General Revenue Fund	$ 463,557,115	$ 461,537,270
General Revenue Fund - Dedicated		
Permanent Fund Tobacco Education & Enforcement Account No. 5044	9,000,000	9,000,000
Permanent Fund Children & Public Health Account No. 5045	4,500,000	4,500,000
Permanent Fund for EMS & Trauma Care Account No. 5046	4,500,000	4,500,000
Permanent Fund Rural Health Facility Capital Improvement Account No. 5047	2,250,000	2,250,000
Community Hospital Capital Improvement Account No. 5048	1,125,000	1,125,000
Subtotal, General Revenue Fund - Dedicated	$ 21,375,000	$ 21,375,000
Other Funds		
Permanent Health Fund for Higher Education	15,750,000	15,750,000
Permanent Endowment Fund, UTHSC San Antonio	9,000,000	9,000,000
Permanent Endowment Fund, UT MD Anderson Cancer Center	4,500,000	4,500,000
Permanent Endowment Fund, UT Southwestern Medical Center at Dallas	2,250,000	2,250,000
Permanent Endowment Fund, UT Medical Branch at Galveston	1,125,000	1,125,000
Permanent Endowment Fund, UTHSC Houston	1,125,000	1,125,000
Permanent Endowment Fund, UTHSC Tyler	1,125,000	1,125,000
Permanent Endowment Fund, UT El Paso	1,125,000	1,125,000
Permanent Endowment Fund, Texas A&M University HSC	1,125,000	1,125,000
Permanent Endowment Fund, UNTHSC at Fort Worth	1,125,000	1,125,000
Permanent Endowment Fund, Texas Tech HSC El Paso	1,125,000	1,125,000
Permanent Endowment Fund, Texas Tech HSC, Other	1,125,000	1,125,000
Permanent Endowment Fund, UT Regional Academic Health Center	900,000	900,000
Permanent Endowment Fund, Baylor College of Medicine	1,125,000	1,125,000
Permanent Fund for Higher Education Nursing, Allied Health and Other Health Related Programs	2,025,000	2,025,000
Permanent Fund for Minority Health Research and Education	1,125,000	1,125,000
Subtotal, Other Funds	$ 45,675,000	$ 45,675,000
Total, Method of Financing	$ 530,607,115	$ 528,587,270
Supplemental Appropriations Made in Riders:	$ 8,000,000	$ 5,000,000

1. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bills 1676 and 1945, Seventy-sixth Legislature, and does not make appropriations.

Permanent Health Fund for Higher Education	$ 350,000,000
Permanent Fund for Children and Public Health	$ 100,000,000
Permanent Fund For Tobacco Education and Enforcement	$ 200,000,000
The University of Texas Health Science Center at San Antonio Endowment	$ 200,000,000

TOBACCO SETTLEMENT RECEIPTS
(Continued)

Permanent Fund for Emergency Medical Services and Trauma Care	$	100,000,000
Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)	$	50,000,000
The University of Texas M.D. Anderson Cancer Center Endowment	$	100,000,000
Texas Tech University Health Sciences Center Endowment (El Paso)	$	25,000,000
The University of Texas Southwestern Medical Center at Dallas Endowment	$	50,000,000
Texas Tech University Health Sciences Center Endowment (Other Than El Paso)	$	25,000,000
The University of Texas Medical Branch at Galveston Endowment	$	25,000,000
The University of Texas Health Science Center at Houston Endowment	$	25,000,000
The University of Texas Health Center at Tyler Endowment	$	25,000,000
Texas A&M University System Health Science Center Endowment	$	25,000,000
University of North Texas Health Science Center at Fort Worth Endowment	$	25,000,000
Lower Rio Grande Valley Regional Academic Health Center Endowment	$	20,000,000
University of Texas -El Paso Endowment	$	25,000,000
Baylor College of Medicine	$	25,000,000
Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs	$	45,000,000
Permanent Fund for Minority Health Research and Education	$	25,000,000
Community Hospital Capital Improvement Fund (Small Urban Hospitals)	$	25,000,000

2. **Estimated Appropriation and Unexpended Balance - Higher Education Funds.** The estimated amounts appropriated above out of the Permanent Fund for Minority Health Research and Education, the Permanent Health Fund for Higher Education, the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-related Programs, and the Permanent Funds and Endowments for Health-related Institutions of Higher Education in Goal C, are out of the amounts available for distribution or investment returns of the funds. Amounts

available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the specified agency or institution. All balances of appropriated funds, except for any General Revenue of agencies and institutions named in this article at the close of the fiscal year ending August 31, 2001, and the income to said funds during the fiscal years beginning September 1, 2001, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2002, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2003.

3. **Estimated Appropriation and Unexpended Balance.** The estimated amounts appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, the Permanent Fund for Rural Health Facility Capital Improvement, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals) are out of the available earnings of the funds. Available earnings in excess of the amounts estimated above are appropriated to the specified recipient of the available earnings of the fund in applicable law. Any unexpended appropriations made above as of August 31, 2002, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2003.

4. **Appropriation for State Employee Children Health Insurance Program (SKIP).** Pursuant to Article 3.50-2, § 14A, Insurance Code, VTCA, relating to the state's contribution for dependent children of certain state employees, a portion of funds appropriated above for the Children's Health Insurance Program shall be transferred to the Employees Retirement System to implement the provisions of that Section. Such funds are only to be used for General Revenue (GR) and GR–Dedicated costs of the program, in accordance with § 6.11, Article IX of this Act, Salaries and Benefits to be Proportional by Fund. Non-GR and non-GR–Dedicated costs may only be paid from funds appropriated elsewhere in this Act for group insurance.

5. **Allocation of Funds for Children's Health Insurance Program.** The funds appropriated above for the Children's Health Insurance Program (CHIP) are appropriated to the Health and Human Services Commission for the following programs: CHIP Phase I, Spillover, CHIP Phase II, Immigrant Children Health Insurance, and State Employee Children Health Insurance (SKIP). Amounts for CHIP Phase I and spillover may be allocated by interagency contract to the Department of Health for benefits and the Department of Human Services for administrative and eligibility functions. Amounts for the State Employee Children Health Insurance (SKIP) may be allocated to the Employee Retirement System. It is the intent of the Legislature that appropriations and accountability for the above programs reside with the Health and Human Services Commission. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as of August 31, 2001, from the appropriations for the Children's Health Insurance Program made in Strategy A.1.3, Article XII, House Bill 1, Seventy-sixth Legislature. Balances appropriated may only be expended in the manner provided for by this section.

6. **Administration of Public Health Funds.** Funds appropriated above out of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, the Permanent Fund for Rural Health Facility Capital Improvement, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals) may be transferred by an agency to appropriate strategies within the agency's bill pattern for the purpose of implementing House Bill 1676, Seventy-sixth Legislature, 1999. In no event may the administrative costs to implement the provisions of the bill exceed three percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill. Out of the appropriation from the Permanent Fund for Tobacco Education and Enforcement, the Texas Department of Health may reimburse members of an advisory committee related to the Permanent Fund for Tobacco Education and Enforcement if the department appoints an advisory committee.

7. **Limitations.** Appropriations made in this Article are governed by the limitations and reporting requirements otherwise provided by this Act and other law.

8. **Limitation on Use of Funds.**
   a. State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.

   b. Authorized managers of permanent funds and endowments whose earnings are appropriated in Goal B and Goal C of this article shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.

9. **Additional Funds for Tobacco Prevention.** Contingent upon receipt of sufficient Tobacco Settlement proceeds above the revenue estimate, the Department of Health is hereby appropriated $5,000,000 of these proceeds in each year of the 2002–03 biennium for the purpose of funding tobacco prevention activities. The Department of Health is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategies.

10. **Texas Information and Referral Network (211 Project).** The Texas Information and Referral Project shall be funded as follows:

    a. This subsection is informational. Appropriations related to this subsection are made in Article II, Special Provisions of this Act. The Health and Human Services Commission is appropriated in Article II, Special Provisions $798,750 in fiscal year 2002 and $899,400 in fiscal year 2003 out of the Telecommunications Infrastructure Fund Number 345 for telecommunications services relating to the development of a 211 system. These funds shall be used for the purposes specified in § 57.046(b) of the Utilities Code.

    b. Contingent upon the collection of outstanding and disputed claims relating to the state's Tobacco Settlement from tobacco companies, the Health and Human Services Commission is hereby appropriated an amount not to exceed $3,000,000 for the biennium from such funds. These amounts shall be used to partially support local operations of 211 projects, with a limit on state contributions of $450,000 for major metropolitan areas, $250,000 for metropolitan areas, $175,000 for mid-sized regions, and $100,000 for smaller regions. This funding is intended to be for the fiscal year 2002–03 biennium only for start-up costs and is not intended to be continued in the future.

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

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

TOBACCO SETTLEMENT RECEIPTS
(Continued)

(ii) In areas where the state funds tobacco prevention and cessation programs at a level of $3.00 per capita, the use of cigarettes, snuff, and smokeless tobacco by all Texans 22 years and younger should be eliminated by the year 2018.

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

c. The Texas Department of Health, or any other grantee or agency receiving funds for tobacco reduction or cessation in the state, shall prepare a report by December 1, 2002, on the agency's progress in achieving the above goals. The report shall include an evaluation of the agency's progress and recommendations on how to improve the programs. The report shall be submitted to the Seventy-eighth Legislature.

12. **Children's Health Insurance Program - Healthy Kids Corporation.** It is the intent of the Legislature that any balances in the Texas Healthy Kids Fund as of August 31, 2001, be transferred from the Comptroller to the credit of the General Revenue Fund. Balances transferred from the Texas Healthy Kids Fund (estimated to be $6,000,000) and deposited into General Revenue are hereby appropriated to the Health and Human Services Commission to be used for the purposes of the Children's Health Insurance Program. The Comptroller is hereby directed to reduce amounts appropriated from Tobacco Settlement revenue for fiscal year 2002 in Strategy A.1.1, Children's Health Insurance Program, by the amount of the unused balances appropriated above (estimated to $6,000,000).

13. **Transfer Appropriations.** Agencies appropriated funds in Goal A, Tobacco Settlement Receipts, of this Article may transfer appropriations to appropriate strategies in the agency's bill pattern for expenditure purposes.

14. **Healthcare Facilities - Bond Debt Service Informational Item.** Appropriated at the end of this Article is $678,000 for fiscal year 2002 and $3,678,150 for fiscal year 2003 out of Tobacco Settlement Receipts to fund the bond debt service associated with general obligation bonds issued for capital projects at the South Texas Hospital and the Texas Center for Infectious Disease.

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2002	August 31, 2003
Out of the Tobacco Settlement Receipts:		
A. Goal: BOND DEBT SERVICE PAYMENTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: FINANCE CAPITAL PROJECTS Make general obligation bond debt service payments in compliance with bond covenants.	$ 678,000	$ 3,678,150 & UB
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 678,000	$ 3,678,150

RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(General Revenue)

	For the Years Ending August 31, 2002	August 31, 2003
TOBACCO SETTLEMENT RECEIPTS	$ 463,557,115	$ 461,537,270
Contingency Appropriations	8,000,000	5,000,000
Total	471,557,115	466,537,270
BOND DEBT SERVICE PAYMENTS	678,000	3,678,150
TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS	$ 472,235,115	$ 470,215,420

RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(General Revenue - Dedicated)

	For the Years Ending August 31, 2002	August 31, 2003
TOBACCO SETTLEMENT RECEIPTS	$ 21,375,000	$ 21,375,000
TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS	$ 21,375,000	$ 21,375,000

RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(Other Funds)

	For the Years Ending August 31, 2002	August 31, 2003
TOBACCO SETTLEMENT RECEIPTS	$ 45,675,000	$ 45,675,000
Less Interagency Contracts	$ 0	$ 0
TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS	$ 45,675,000	$ 45,675,000

RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(All Funds)

	For the Years Ending August 31, 2002	August 31, 2003
TOBACCO SETTLEMENT RECEIPTS	$ 530,607,115	$ 528,587,270
Contingency Appropriations	8,000,000	5,000,000
Total	538,607,115	533,587,270
BOND DEBT SERVICE PAYMENTS	678,000	3,678,150
Less Interagency Contracts	$ 0	$ 0
TOTAL, ARTICLE XII - TOBACCO SETTLEMENT RECEIPTS	$ 539,285,115	$ 537,265,420
Number of Full-Time-Equivalent Positions (FTE)	0.0	0.0

ARTICLE XIII. SAVINGS CLAUSE

If any section, sentence, clause or part of this Act shall for any reason be held to be invalid, such decision shall not affect the remaining portions of this Act; and it is hereby declared to be the intention of the Legislature to have passed each sentence, section, clause, or part thereof irrespective of the fact that any other sentence, section, clause or part thereof may be declared invalid.

ARTICLE XIV. EMERGENCY CLAUSE

The importance of the legislation to the people of the State of Texas and the crowded condition of the calendars in both Houses of the Legislature create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three separate days in each House be suspended, and said Rule is hereby suspended; and this Act shall take effect and be in force from and after its passage, and it is so enacted.

Governor's Veto Proclamation

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Senate Bill 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. This bill would appropriate an estimated $113.8 billion from all fund sources including $61.7 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2001. Appropriations for fiscal years 2002 and 2003 reflect an average annual increase of 3.7% over the 2001 spending level.

The proposed state budget that I submitted to the Legislature contained my key priorities for the 2002-2003 biennium. These were:

Meet Basic Needs, Including
Fully Funding Medicaid Growth Projections

Improve Accessibility to and
Quality of Public and Higher Education

Promote Health and Safety for
Texas Citizens

Optimize Technology Use

Improve Transportation

Address Border Issues.

This budget meets basic needs, including fully funding Medicaid growth projections, while providing funds for some new and necessary programs. We did a better job of maximizing federal dollars. And we accomplished our goals without accessing the state's Rainy Day Fund and without cutting funds to vital areas.

However, Senate Bill 1 does contain a few items of appropriation with which I do not agree. The budget spends every available dollar and then some. Other than the Rainy Day Fund, no cushion is provided to care for unforeseen issues or problems, such as the recent tragic Southeast Texas floods. The bill also contains provisions intended to obligate expenditure of funds beyond those the Comptroller is currently willing to certify as available. This tactic could limit the ability of the Seventy-eighth Legislature to address the state's needs in a fiscally responsible manner in 2004-2005.

Like my predecessors, I am also concerned that certain appropriations are made in a way that usurp the authority granted to the Governor in Article IV, Section 14, of the Texas Constitution to veto individual items of appropriation. This is accomplished by combining several distinct items of appropriation into one large item or through an attempt at lump-sum appropriations. As long as this practice continues, the governors of this State will be unable to exercise the fiscal responsibility envisioned in the State Constitution.

My item vetoes total $75.1 million in certified appropriations and another $480.8 million in appropriations contingent on certification of additional revenue. I hereby veto the following items from Senate Bill 1, Seventy–seventh Legislature, Regular Session, 2001, and include a statement of my objections to each of those items.

Article II – Health and Human Services

Health and Human Services Commission Page II-61

53. **Contingent Appropriation to the Health and Human Services Commission.** The appropriation to the Health and Human Services Commission under Strategies B.2.1, B.2.2, B.2.3, and B.2.4, has been reduced by $269,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid, and the Health and Human Services Commission is hereby authorized to defer its August 2003 premium payment to the National Heritage Insurance Company until September 2003 and the August 2003 payment will be paid from fiscal year 2004 appropriations. ~~However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Health and Human Services Commission such amounts as may be necessary for payment of the August 2003 premium payment (estimated to be $269,840,001 in All Funds, including $107,747,112 in General Revenue Match for Medicaid) by August 31, 2003.~~

This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25th month of Medicaid, but could also be used for other unforseen circumstances, offering the state additional flexibility.

Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.

Department of Human Services Page II-78

34. **Contingent Appropriation to Texas Department of Human Services for Payment of August 2003 Nursing Home Payment.** The appropriation shown above to the Texas Department of Human Services in this Act under Strategy A.1.4. has been reduced by $134,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid, and the Texas Department of Human Services is hereby authorized to defer its August 2003 nursing home payment until September 2003, and the August 2003 payment will be paid from fiscal year 2004 appropriations. ~~However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Human Services such amounts as may be necessary for payment of the August 2003 nursing home payment (estimated to be $134,760,919 in All Funds, including $53,634,846 in General Revenue Match for Medicaid) by August 31, 2003.~~

This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25th month of Medicaid, but could also be used for other unforseen circumstances, offering the state additional flexibility. Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.

Article III –Education

Telecommunications Infrastructure Fund Board Page III-39

7. **Contingency Appropriation: Senate Bill 1783.** Contingent upon the enactment of Senate Bill 1783, Seventy-seventh Legislature, Regular Session, if available revenue in the Telecommunications Infrastructure Fund (TIF) in the 2002–03 biennium is less than the sum of appropriations from the TIF contained in this Act, the Telecommunications Infrastructure Fund Board's appropriations for the 2002-03 biennium shall be reduced by the difference.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Special Provisions Relating Only to State Agencies of Higher Education Page III-244

Sec. 52. **Utility Funding Increase for Public Higher Education Institutions.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act, or after certification of this Act, that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval by the Legislative Budget Board, there is hereby appropriated to the Comptroller of Public Accounts $19,515,970 per fiscal year, or such amounts as may be available for the purpose of funding increased utility costs at public institutions of higher education. Distribution of any amounts authorized shall be based on the Texas Higher Education Coordinating Board's infrastructure funding formula.

This veto action deletes a rider contingent upon the certification of additional revenue by the Comptroller.

Article VI –Natural Resources

Natural Resource Conversation Commission Page VI-30

40. **Contingency Appropriation: Senate Bill 1541.** Contingent upon passage of Senate Bill 1541, or similar legislation relating to the permanent management of low-level radioactive waste, by the Seventy-seventh Legislature, Regular Session, the Natural Resource Conservation Commission is hereby appropriated any fee revenues generated to the Low-level Radioactive Waste Account No. 88 as a result of the bill's enactment (estimated to be $1,245,000 for the 2002–03 biennium). This appropriation shall be used to implement the provisions of the bill.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Article IX General Provisions

Sec. 10.16. **Contingent Reduction Items.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act that sufficient revenue is not available from the General Revenue Fund and special funds to certify the General Appropriations Act, the following amounts are hereby reduced, in priority order, from the listed entities:

(a) Ten percent of Special Items for Institutions of Higher Education on a prorated basis.
(b) Twenty-five percent of tuition revenue bond debt service authorized by the Seventy-seventh Legislature under Section 10.19 of this Article for Institutions of Higher Education on a prorated basis, excluding commitments made under the Office of Civil Rights agreement.
(c) Twenty percent of General Revenue and General Revenue related Capital Budget Funding for all agencies, on a prorated basis.

The reduction authorized herein shall be implemented among the listed entities and items by the Comptroller of Public Accounts based on the amounts, timing, or other information to be determined by the

Legislative Budget Board following the Comptroller's finding of fact. The provisions in this section are to be implemented prior to the action authorized under Section 10.05. "Contingency Appropriation Reduction" of Article IX of this Act. It is the intent of the Legislature that items reduced above be funded prior to any other contingency appropriations listed in this Act.

This veto action deletes a rider that is no longer necessary. The Comptroller certified this Act without making any of the proposed reductions.

Sec. 10.17. **Additional Appropriations Priorities Contingent on Availability of Revenue.** Contingent on the Comptroller certifying that sufficient revenue is available the following appropriations are made for the purposes specified:

~~(a) First, it is the intent of the Legislature that the Comptroller shall use any additional revenue to restore appropriation reductions previously made pursuant to Section 10.16 of this Article in the following order:~~

~~(1) it is the intent of the Legislature that the Comptroller shall restore any previous appropriation reductions made from the General Revenue and General Revenue related capital budget funding for all agencies on a prorated basis;~~

~~(2) after making any restoration as directed under Subdivision (1) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to tuition revenue bond debt service;~~

~~(3) after making any restorations as directed under Subdivision (1) of this Subsection (a) and (2) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to the Special Items for Institutions of Higher Education on a prorated basis; and~~

~~(4) after making any restorations as directed under Subdivision (1) of this Subsection (a), and then Subdivision (2) of this Subsection (a), and then Subdivision (3) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any across the board appropriation reductions made pursuant to Sections 10.05 or 10.16 of this Article;~~

(b) Second, ~~after restoring any reductions as provided under Subsection (a) of this Section~~ any additional revenue is appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act;

(c) Third, after ~~restoring any reductions as provided under Subsection (a) of this Section and~~ funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section any additional revenue is appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;

(d) Fourth, after ~~restoring any reductions as provided under Subsection (a) of this Section and~~ funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section any additional revenue is appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article;

(e) Fifth, after ~~restoring any reductions as provided under Subsection (a) of this Section and~~ funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section any additional revenue is appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article;

~~(f) Sixth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section any additional revenue is appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;~~

(g) Seventh, after ~~restoring any reductions as provided under Subsection (a) of this Section and~~ funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section

and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section ~~and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section~~ there is appropriated any additional revenue to fund employee salary increases under Section 10.13 of this Article;

~~(h) Eighth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this section there is appropriated any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act; and~~

(i) Ninth, after ~~restoring any reductions as provided under Subsection (a) of this Section and~~ funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section ~~and funding any additional revenue appropriated as provided to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (f) of this Section~~ and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this Section ~~and funding any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act as provided under Subsection (h) of this Section~~ there is appropriated to the Comptroller revenue sufficient to fund the emergency contingency reserve under Section 10.06 of this Article.

This veto action deletes the appropriate sections of this rider to conform with other veto actions contained in this proclamation.

Sec. 10.41. **Contingency Appropriation: Senate Bill 697.** Contingent upon the enactment of Senate Bill 697, or similar legislation relating to the regulation of the practice of professional engineering by the Seventy-seventh Legislature, Regular Session, the Board of Professional Engineers is hereby appropriated $206,769 in fiscal year 2002 and $142,296 in fiscal year 2003, out of the General Revenue Fund for the purpose of implementing that Act. Such appropriations are also contingent on the Board of Professional Engineers assessing fees sufficient to generate, during the 2002-03 biennium, $349,065 in excess of $4,282,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003. The Board of Professional Engineers, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Engineers' minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes..

Senate Bill 697 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

Sec. 10.49. **Contingency Appropriation for Senate Bill 1622.** Contingent upon the enactment of Senate Bill 1622, or similar legislation relating to the regulation of amusement rides, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $190,260 for fiscal year 2002 and $160,110 for fiscal year 2003 out of the Mobile Amusement Ride Regulation Fund Account in General Revenue for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1622, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 2 for fiscal year 2002 and by 2 for fiscal year 2003. In no event shall the amount expended by this provision exceed the

amount of additional revenue generated pursuant to Senate Bill 1622.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 10.63. **Contingency Appropriation for Senate Bill 1586.** Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to fees for copies of birth and death certificates, by the Seventy-seventh Legislature, Regular Session, the Department of Health is hereby appropriated $2,371,001 in fiscal year 2002 and $2,413,000 in fiscal year 2003 out of additional revenues collected pursuant to Senate Bill 1586 for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1586. The additional revenues generated must be sufficient to cover the costs of the appropriation as well as any indirect costs associated with the implementation of the provisions of the bill.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 10.67. **Contingency Appropriation for Senate Bill 516.** Contingent upon the enactment of Senate Bill 516 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the creation of a rural physician relief program, the Texas Department of Health is hereby appropriated $182,250 in fiscal year 2002 and $243,000 in fiscal year 2003 from the new General Revenue-Dedicated account created under the provisions of the bill. The appropriation made above is contingent upon the department assessing fees sufficient to generate $425,250 in revenue for the biennium. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

Senate Bill 516 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

Sec. 10.70. **Contingency Appropriation for House Bill 877.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 877, or similar legislation relating to providing benefits to survivors of public safety workers killed in the line of duty, the Employees Retirement System is hereby appropriated an amount estimated to be $1,496,980 in fiscal year 2002 and $1,335,760 in fiscal year 2003 from the General Revenue Fund, ~~and an amount estimated to be $992,520 in fiscal year 2002 and $885,040 in fiscal year 2003 from the Compensation to Victims of Crime Fund No. 469~~ for the purpose of implementing the provisions of that legislation.

Since the General Revenue funds listed in this rider are estimated amounts, they will be sufficient to pay for the implementation of House Bill 877; consequently, this veto action deletes the appropriation of Crime Victims Compensation funds for this purpose.

Sec. 10.86. **Contingency Appropriation:** The following contingency appropriations apply to the Texas Department of Insurance and the Office of Public Insurance Counsel.

(c) **Contingency Appropriation for House Bill 2430.** Contingent upon the enactment of House Bill 2430, or similar legislation relating to a consumer assistance program for health benefit plan consumers, by the Seventy-seventh Legislature, Regular Session, the Office of Public Insurance Counsel is hereby appropriated $100,000 for fiscal year 2002 and $100,000 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fee Object Code 3203 and 3215 for the purpose of implementing that Act. Also continent upon the Texas Department of Insurance covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE) are increased by three in fiscal year 2002 and three in fiscal year 2003 in the Office of Public Insurance Counsel's bill pattern.

House Bill 2430 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.

Sec. 10.87. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Contingent upon enactment of House Bill 3064, or similar legislation relating to the authorization of general obligation bonds, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, in addition to amounts appropriated elsewhere in this Act, the following and other state agencies listed in House Joint Resolution 97, are hereby appropriated proceeds of the general obligation bonds or notes in the amounts specified below for construction and repair projects and equipment acquisitions for the fiscal year beginning September 1, 2002.

~~Texas Historical Commission $45,000,000.~~
Texas Department of Mental Health and Mental Retardation $35,000,000
Equipment Acquisitions $31,500,000
General Services Commission $16,484,500
Adjutant General's Department $3,038,252
Department of Agriculture $45,000

TOTAL $131,067,752

The Texas Historical Commission received an appropriation from general revenue for the Courthouse Preservation program in Strategy A.1.5 on page I-56 of this Act. This veto action deletes a duplicative appropriation of bond proceeds intended for the same purpose.

Sec. 10.88. **Contingency Appropriation for Senate Bill 391.** Contingent upon the enactment of Senate Bill 391 or similar legislation relating to the automation of the compulsory motor vehicle inspection system, by the Seventy-seventh Legislature, Regular Session, the Department of Public

Safety is hereby appropriated $9,637,622 for fiscal year 2002 and $9,926,750 for fiscal year 2003 out of the automated inspection system account in the General Revenue Fund for the purpose of implementing that Act. All revenues in excess of these amounts deposited into the automated inspection system account in the General Revenue Fund are hereby appropriated to the Department of Public Safety for the same purposes. In no event shall the amount expended out of, or transferred from, appropriations identified by this provision exceed the amount of additional revenues generated pursuant to Senate Bill 391. The department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the department's bill pattern. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on the capital budget found elsewhere in this Act.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 10.94. **Contingency Appropriation for Senate Bill 1198.** Contingent upon the enactment of Senate Bill 1198, or similar legislation relating to inspection, installation, repair, and maintenance of elevators, escalators, chairlifts, people movers, moving sidewalks, and related equipment, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated $159,000 for fiscal year 2002 and $155,352 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1198.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 10.95. **Contingency for House Bill 7.** Contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, and on the date by which a majority of the members of the executive committee of the Office of Rural Community Affairs have taken office:
(a) All powers, duties, obligations, rights, appropriations and other funds of the Center for Rural Health Initiatives are hereby transferred to the Office of Rural Community Affairs and the Center for Rural Health Initiatives is abolished;
(b) All powers, duties, obligations, rights, contracts, leases, records, personnel, property, and unspent and unobligated appropriations and other funds of the Department of Housing and Community Affairs related to the federal community development block grant nonentitlement program and to the community affairs and community development program that provides information, advice, and training to officials of communities of less than 10,000 people, including appropriations relating to the indirect costs and general administrative support of those programs, are hereby transferred to the Office of Rural Community Affairs; and
(c) Administration of the Texas Capital Fund by the Department of Economic Development, by rule of the Department of Housing and Community Affairs is hereby administered by the Department of Agriculture; and a fund or account administered by the Department of Economic Development relating to the federal community development block grant nonentitlement program is hereby transferred to the Office of Rural Community Affairs.
Contingent upon enactment of House Bill 7 or similar legislation, the Comptroller of Public Accounts is directed to transfer to the Office of Rural Community Affairs the estimated amounts of $93,996,953 in All Funds in fiscal year 2002 and $93,996,245 in All Funds in fiscal year 2003, including approximately $90,856,552 in All Funds in fiscal year 2002 and $90,379,552 in All Funds in fiscal year 2003 from the Department of Housing and Community Affairs and approximately $3,140,401 in All Funds in fiscal year 2002 and $3,616,693 in All Funds in fiscal year 2003, transferred as a result of the abolishment of the Center for Rural Health Initiatives. The number of full-time equivalent positions transferred is sixty-four, including sixteen full-time-equivalent positions from the Center for Rural Health Initiatives and forty-eight full-time-equivalent positions from the Department of Housing and Community Affairs. The Legislative Budget Board is authorized to resolve any disputes concerning the transfers mentioned above relating to the Office of Rural Community Affairs.
An additional five full-time-equivalent positions associated with information technology will be transferred from the affected agencies for which cost estimates have been provided by the Department of Information Resources.

Also contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, the agency is appropriated $1,000,000 in General Revenue in ~~each year of~~ the 2002-03 biennium. In addition to the full-time-equivalent positions mentioned above, the agency is hereby authorized five full-time equivalent positions in each year of the 2002-03 biennium. The salary for the Executive Director of the Office of Rural Community Affairs is hereby authorized to be $85,000 in each year of the 2002-03 biennium.

This veto action strikes one year of the appropriation of additional funds to the Office of Rural Community Affairs, limiting the new agency to $1,000,000 for the 2002-03 biennium. Since each of the programs transferred to the new agency receive administrative funding, $1,000,000 is sufficient to cover transition expenses.

Sec. 11.01. **Judicial Salaries.** The following courts and agencies are hereby appropriated out of the General Revenue Fund amounts for the purpose of providing salary increases of ~~$3,416,369 in fiscal year 2002 and~~ $6,832,658 in fiscal year 2003 and additional benefits of ~~$1,537,982 in fiscal year 2002 and~~ $3,167,353 in fiscal year 2003.

(a) Appropriated amounts are to be allocated as follows:

Supreme Court		~~$ 50,850~~		$ 101,700
Court of Criminal Appeals		~~$ 50,850~~		$ 101,700
First Court of Appeals, Houston		~~$ 48,312~~		$ 96,615
Second Court of Appeals, Fort Worth		~~$ 37,576~~		$ 75,145
Third Court of Appeals, Austin		~~$ 32,208~~		$ 64,410
Fourth Court of Appeals, San Antonio		~~$ 37,576~~		$ 75,145
Fifth Court of Appeals, Dallas		~~$ 69,784~~		$ 139,555
Sixth Court of Appeals, Texarkana	~~$ 16,104~~		$ 32,205	
Seventh Court of Appeals, Amarillo		~~$ 21,472~~		$ 42,940
Eighth Court of Appeals, El Paso		~~$ 21,472~~		$ 42,940
Ninth Court of Appeals, Beaumont	~~$ 16,104~~		$ 32,205	
Tenth Court of Appeals, Waco		~~$ 16,104~~		$ 32,205
Eleventh Court of Appeals, Eastland		~~$ 16,104~~		$ 32,205
Twelfth Court of Appeals, Tyler		~~$ 16,104~~		$ 32,205
Thirteenth Court of Appeals, Corpus Christi		~~$ 32,208~~		$ 64,410
Fourteenth Court of Appeals, Houston		~~$ 48,312~~		$ 96,615
Judiciary Section, Comptroller's Department, Strategy A.1.1 District Judge Salaries 1		~~$ 2,125,530~~		$ 4,251,060
Judiciary Section, Comptroller's Department, Strategy A.1.5 Professional Prosecutor Salaries 2		~~$ 686,475~~		$ 1,372,950
Judiciary Section, Comptroller's Department, Strategies A.1.4. and A.1.8 District Attorney and Felony Prosecutor Salaries		~~$ 73,224~~		$ 146,448
Subtotal, Salaries		~~$ 3,416,369~~		$ 6,832,658
Employees Retirement System Contribution to the Judicial Retirement System, Plan 1	~~$ 1,136,679~~		$ 2,337,012	
Contribution to the Judicial Retirement System, Plan 2	~~$ 401,303~~		$ 830,341	
Subtotal, JRS Contribution		~~$ 1,537,982~~		$ 3,167,353
TOTAL, Salaries and Benefits		~~$ 4,954,351~~		$ 10,000,011

(b) The additional funding shall increase salaries to the following amounts:

Chief Justice of the Supreme Court	$ 120,650		$ 126,300	
Presiding Judge of the Court of Criminal Appeals		$ 120,650		$ 126,300
Justices of the Supreme Court		$ 118,650		$ 124,300
Judges of the Court of Criminal Appeals		$ 118,650		$ 124,300
Chief Justices of the Courts of Appeals		$ 113,218		$ 118,585
Justices of the Courts of Appeals		$ 112,718		$ 118,085
District Judges		$ 106,785		$ 111,870
District Attorneys (Professional Prosecutors Act)			$ 106,785	$ 111,870
District Attorneys		$ 85,428		$ 89,496
County Attorney, Oldham County		$ 56,928		$ 60,996

This veto action deletes the first year of the proposed increase in judicial salaries, bringing the total increase more in line with that proposed for state employees.

Sec. 11.02. **Contingency for House Bill 2.** Contingent upon enactment of House Bill 2, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of political contributions, political expenditures, and political advertising, the Texas Ethics Commission is hereby appropriated $100,000 in fiscal year 2002 out of the General Revenue Fund for the revision of campaign finance filing guides and instructions, prescribing new forms, making modifications to the electronic filing software and databases, and distribution of new forms, instructions, and software. The appropriation made herein is contingent upon the Comptroller of Public Accounts certifying that funds will be available.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 11.04. **Contingency for Senate Bill 940.** Contingent upon enactment of Senate Bill 940, or similar legislation relating to the establishment of the Joint Admission Medical Program to assist certain economically disadvantaged students in preparing for and succeeding in medical school, by the Seventy-seventh Legislature, Regular Session, an amount of $1,050,000 in fiscal year 2002 and $3,124,000 in fiscal year 2003 in general revenue is hereby appropriated to implement the provisions of that legislation. The health-related institutions which participate in the Joint Admission Medical Program shall be allocated a proportionate amount of available funding based upon the provisions set forth in Senate Bill 940.

HB 2879 appropriated funding for the implementation of Senate Bill 940; consequently, this rider is no longer necessary.

Sec. 11.12. **Contingency Appropriation, New District Courts.** Contingent on the enactment of House Bill 3171, or similar legislation by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund $106,785 in fiscal year 2002 and $111,870 in fiscal year 2003 for each additional district court created effective September 1, 2001 and a pro rata amount out of the General Revenue Fund for each additional district court created with an effective date after September 1, 2001. (Estimated to be $1,530,585). Also contingent on the enactment of House Bill 3171, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 1 FTE in fiscal years 2002 and 2003 for each district court created. (Estimated to be 7 FTEs).

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Sec. 11.28. **Contingency Appropriation for House Bill 2513.** Contingent upon the enactment of House Bill 2513, or similar legislation relating to financial assistance for persons seeking certification as public school teachers, including revisions to the Teach for Texas Grant program, the State Board for Educator Certification is appropriated $5,000,000 in General Revenue in each year of the 2002-2003 biennium for the Teach for Texas Alternative Certification Program and $211,255 in fiscal year 2002 and $135,255 in fiscal year 2003 for the purpose of implementing the Act; and the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the State Board for Educator Certification is hereby increased by 2.0 in fiscal year 2002 and 2.0 in fiscal year 2003.

Also contingent upon passage of the aforementioned legislation, the Higher Education Coordinating Board is appropriated $3,000,000 in General Revenue in fiscal year 2002 and $8,000,000 in General Revenue in fiscal year 2003 for the Teach for Texas Grant Program. Out of this appropriation, the Board may retain $179,642 in each year 2002 and $139,642 in fiscal year 2003 for administration of the program. Also contingent upon the enactment of House Bill 2513 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 4.0 in fiscal year 2002 and 4.0 in fiscal year 2003.

This veto action deletes a rider that duplicates the provisions of another rider in this Act. Article IX, Sec. 11.20 provides funding for similar programs and activities.

Sec. 11.30. **Contingent Appropriation for House Bill 3452.** Contingent upon the enactment of House Bill 3452 and the transfer of the funds in the Smart Jobs Trust Fund 891 to a new general revenue-dedicated account, the Texas Workforce Commission is hereby appropriated an amount from the new general revenue-dedicated account necessary to bring the balance of the Unemployment Compensation Fund from a deficit to the designated floor amount. The Texas Workforce Commission must have received authorization from the Legislative Budget Board and the Governor to access the amount requested for the appropriation to be available for transfer to the Unemployment Compensation Fund.

This veto action deletes a rider that was contingent upon proposed legislation that did not pass.

Excerpts from House Bill No. 1333
Seventy-seventh Legislature
Regular Session

EXCERPTS FROM HOUSE BILL NO. 1333

SECTION 9. CERTAIN APPROPRIATIONS FOR FISCAL YEAR BEGINNING SEPTEMBER 1, 2001. The following amounts are appropriated from the general revenue fund to the listed agencies for the described purposes for the state fiscal year beginning September 1, 2001:

(1) $2,781,000 to the Office of the Governor for the purposes for which the criminal justice planning account may be appropriated;

(2) $13,000,000 to the Office of the Governor for the purpose of making emergency and deficiency grants and disaster grants;

(3) $39,000,000 to the Texas Higher Education Coordinating Board for the purpose of making Toward EXcellence, Access, and Success (TEXAS) grants;

(4) $500,000 to the Texas Historical Commission for archeological heritage protection;

(5) $500,000 to the Texas Historical Commission to evaluate and interpret resources;

(6) $6,500,000 to the State Preservation Board for the purpose of implementing Chapter 443, Government Code;

(7) $2,790,000 to the General Services Commission for property acquisition, repair, and renovation;

(8) $1,700,000 to the General Services Commission for computer acquisition; and

(9) $118,231 to the Texas Natural Resource Conservation Commission for low-level radioactive waste assessment.

Excerpts from House Bill No. 2914
Seventy-seventh Legislature
Regular Session

EXCERPTS FROM HOUSE BILL NO. 2914

SECTION 98. In addition to other amounts appropriated by the 77th Legislature, Regular Session, 2001, for the biennium beginning September 1, 2001, and subject to the restrictions provided under Articles II and IX, Senate Bill No. 1, Acts of the 77th Legislature, Regular Session, 2001 (General Appropriations Act), and contingent on House Bill No. 2604, Acts of the 77th Legislature, Regular Session, 2001, becoming law, the Texas Forest Service is appropriated $15 million for the fiscal year beginning September 1, 2002, from the Volunteer Fire Department Assistance Fund. The Texas Forest Service shall spend money appropriated by this section for the purpose of administering the Rural Volunteer Fire Department Assistance Program.

SECTION 99. (a) As part of the transfer of personnel and appropriations made by H.B. No. 819, Acts of the 77th Legislature, Regular Session, 2001:

(1) any appropriation to the Texas Department of Economic Development relating to the Office of Rural Affairs is transferred to the Department of Agriculture, including no less than $212,612 each fiscal year of the 2002-2003 biennium; and

(2) no fewer than 4.0 full-time equivalent positions must be transferred by the Texas Department of Economic Development to the Department of Agriculture.

(b) This section takes effect September 1, 2001, only if H.B. No. 819, Acts of the 77th Legislature, Regular Session, 2001, becomes law.

SECTION 100. In addition to other amounts appropriated by the 77th Legislature, Regular Session, 2001, the following amounts are appropriated from the general revenue fund to components of the Texas State Technical College, as specified, for the purpose of Institutional Enhancement:

(1) $250,000 for the fiscal year beginning September 1, 2001, and $250,000 for the fiscal year beginning September 1, 2002, to Texas State Technical College - Harlingen;

(2) $250,000 for the fiscal year beginning September 1, 2001, and $250,000 for the fiscal year beginning September 1, 2002, to Texas State Technical College - West Texas;

(3) $250,000 for the fiscal year beginning September 1, 2001, and $250,000 for the fiscal year beginning September 1, 2002, to Texas State Technical College - Marshall; and

(4) $250,000 for the fiscal year beginning September 1, 2001, and $250,000 for the fiscal year beginning September 1, 2002, to Texas State Technical College - Waco.

SECTION 101. Contingent on the passage of Senate Bill 1421 or similar legislation relating to certain court costs imposed on a person convicted of an offense, and upon receipt by the comptroller of collected fees, such fees, in an amount not to exceed those collected, are hereby appropriated to Sam Houston State University for the Correctional Management Institute of the Texas and Criminal Justice Center. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1421.

Excerpts from House Bill No. 3343
Seventy-seventh Legislature
Regular Session

EXCERPTS FROM HOUSE BILL NO. 3343

ARTICLE 4. APPROPRIATION TRANSFERS

SECTION 4.01. On September 1, 2002, the comptroller shall transfer the amount of $42 million from the retired school employees group insurance fund created under Section 15, Article 3.50-4, Insurance Code, as amended by this Act, to the Texas school employees uniform group coverage trust fund created under Section 8, Article 3.50-7, Insurance Code, as added by this Act. The Teacher Retirement System of Texas shall use the amount transferred under this section to establish and implement the uniform group coverage program for school employees established under Article 3.50-7, Insurance Code, as added by this Act.

SECTION 4.02. A portion of the amounts appropriated in Article III, S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, to the Texas Education Agency is allocated as provided by this section:

(1) for the fiscal year ending August 31, 2002, the amount appropriated under Strategy A.2.1.: FSP-Equalized Operations is reduced by the sum of $3 million and the amount appropriated to the Teacher Retirement System of Texas is increased by that amount for the establishment and implementation of the uniform group coverage program for school employees established under Article 3.50-7, Insurance Code, as added by this Act;

(2) for the fiscal year ending August 31, 2003, the amount appropriated under Strategy A.2.1.: FSP-Equalized Operations is reduced by the sum of $691,100,000 and the amount appropriated to the Teacher Retirement System of Texas is increased by that amount for payment of:

(A) school employee health coverage or compensation supplementation under Article 3.50-8, Insurance Code, as added by this Act; and

(B) state assistance in meeting the minimum effort regarding school employee health coverage under Article 3.50-9, Insurance Code, as added by this Act;

(3) for the fiscal year ending August 31, 2003, the amount appropriated under Strategy A.2.1.: FSP-Equalized Operations is reduced by the sum of $1,361,000 and the amount appropriated to the Teacher Retirement System of Texas is increased by that amount for assistance to school districts in paying social security taxes on amounts of supplemental compensation received by district employees under Article 3.50-8, Insurance Code, as added by this Act, as provided by Section 6, Article 3.50-9, Insurance Code, as added by this Act; and

(4) for the fiscal year ending August 31, 2003, the amount appropriated under Strategy A.2.1.: FSP-Equalized Operations is reduced by the sum of $4.2 million and the amount appropriated to the Health and Human Services Commission is increased by that amount for payment of the costs of health benefits coverage for children enrolled in the child health plan under Section 62.1015, Health and Safety Code, as added by this Act.

SECTION 4.03. The Legislative Budget Board shall increase the number of full-time-equivalent positions authorized for the Teacher Retirement System of Texas by S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, by 25 for each fiscal year of the biennium ending August 31, 2003.

SECTION 4.04. The Legislative Budget Board shall increase the number of full-time-equivalent positions authorized for the Texas Education Agency by S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, by three for each fiscal year of the biennium ending August 31, 2003.

Excerpts from House Bill No. 2879
Seventy-seventh Legislature
Regular Session

EXCERPTS FROM HOUSE BILL NO. 2879

SECTION 15. From funds appropriated to the Texas Education Agency that may be used for the purpose, the commissioner of education shall as necessary assist regional education service centers in providing financial management or planning assistance to school districts and open-enrollment charter schools.

SECTION 16. (a) The Communities in Schools advisory committee is created. The governor, lieutenant governor, and speaker of the house of representatives shall each appoint three members to the advisory committee.

(b) The advisory committee shall advise and provide guidance to programs operated under the auspices of the Communities in Schools.

(c) In accordance with Section 2110.004, Government Code, reimbursement of the expenses of advisory committee members may be paid from amounts appropriated in S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, to the Texas Education Agency and the Department of Protective and Regulatory Services.

(d) The Texas Education Agency and the Department of Protective and Regulatory Services shall:

(1) coordinate with the advisory committee;

(2) share equally the cost of reimbursement of the expenses of advisory committee members; and

(3) each assign an employee to assist the advisory committee in its duties and act as a liaison between the advisory committee and the employee's employing agency.

SECTION 17. Notwithstanding Subsection (a) of Rider 55 under the appropriations to the Texas Education Agency in S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, the funds allocated by that rider shall be allocated in the following manner:

(1) The funds shall be distributed by the commissioner of education for reading diagnostic instruments and on a competitive grant basis to be used by schools for the implementation of scientific, research-based reading and mathematics programs, the purchase of additional instructional or diagnostic materials, necessary materials for libraries, instructional staff, or related professional staff development for educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below-grade-level reading skills and submit a plan for parental involvement in the program.

(2) The commissioner of education shall use not less than $15 million of the funds allocated by Rider 55 to implement scientific-based content development for training materials, professional development institutes in mathematics and related research, as provided by Sections 7.058, 21.454, 21.455, Education Code, as added by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001.

(3) The commissioner of education may use a portion of the funds allocated by Rider 55 to implement the master mathematics teacher program as provided by Sections 21.0482 and 21.411, Education Code, as added by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001, and shall transfer funds to the State Board for Educator Certification for creation of the master mathematics teacher certification as provided by Section 21.0482, Education Code, as added by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 18. Of the amounts appropriated in Article III, S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, to the Texas Education Agency under Strategy A.3.3.: Improving Educator Performance, the commissioner of education:

(1) shall allocate $8 million for the fiscal year ending August 31, 2002, and $12 million for the fiscal year ending August 31, 2003, for purposes of funding stipends for master reading and mathematics teachers as provided by Section 21.410, Education Code, and 21.411, Education Code, as added by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001; and

(2) may transfer funds to the State Board for Educator Certification for creation of the master mathematics teacher certification as provided by Section 21.0482, Education Code, as added

by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 19. The Legislative Budget Board shall increase the number of full-time-equivalent positions authorized for the Texas Education Agency by S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, by two for the fiscal year ending August 31, 2003, for purposes of the mathematics initiative proposed by H.B. No. 1144, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 20. A portion of the amounts appropriated in Article III, S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, to the Texas Education Agency is allocated as provided by this section:

(1) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $100 million, and the amount allocated under Strategy A.2.2.: FSP-Equalized Facilities is increased by that amount to assist school districts under the provisions of Subchapter A, Chapter 46, Education Code;

(2) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $205 million, and the amount allocated under Strategy A.2.2.: FSP-Equalized Facilities is increased by that amount to assist school districts under the provisions of Subchapter B, Chapter 46, Education Code;

(3) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $57 million, and the amount allocated under Strategy B.1.2.: Student Success is increased by that amount;

(4) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $30 million, and the amount allocated under Strategy B.1.2.: Student Success is increased by that amount for mathematics and reading programs;

(5) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $11 million, and the amount allocated to the Texas Higher Education Coordinating Board under Strategy C.1.18.: Teach for Texas Conditional Grants is increased by that amount for purposes of the Teach for Texas grant program under Section 56.309, Education Code;

(6) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $9 million, and:

(A) an amount of $4 million is allocated to the Texas Higher Education Coordinating Board under Article III, Special Provisions, for purposes of the Joint Admission Medical Program under Subchapter V, Chapter 51, Education Code, as added by S.B. No. 940, Acts of the 77th Legislature, Regular Session, 2001; and

(B) the amount allocated to the Texas Higher Education Coordinating Board under Strategy A.1.1.: Information and Planning is increased by $5 million for purposes of the Public Awareness Campaign Promoting Higher Education under Section 61.951, Education Code, as added by S.B. No. 573, Acts of the 77th Legislature, Regular Session, 2001;

(7) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $2 million, and the amount allocated to Strategy B.3.1., Regional Training and Development, is increased by that amount and shall be allocated at the discretion of the commissioner of education, for purposes including the provision of assistance to The University of Texas at Austin for the Technology Charter School; and

(8) for the fiscal biennium ending August 31, 2003, the amount allocated under Strategy A.2.1.: FSP-Equalized Operations is reduced by $300,000, and the amount allocated to Strategy C.1.2., School Finance System Operations, is increased by that amount to make changes to the Texas Education Agency's school finance payment system as are necessary to efficiently implement the provisions of this legislation or H.B. No. 3343, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 21. Of the funds allocated by Rider 2 under the appropriations to the Texas Education Agency in S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, not more than $22 million may be used for the fiscal biennium ending August 31, 2003, for adjusting the attendance of school districts that experience a decline in average daily attendance, as provided by Section 42.005(b)(2), Education Code, as added by this Act.

SECTION 22. For the fiscal biennium ending August 31, 2003, the amount appropriated in Article III, S.B. No. 1, Acts of the 77th Legislature, Regular Session, 2001, to the Texas Education Agency and allocated for Successful Schools Awards under Strategy A.1.2.: Accountability System is reduced by $2.5 million.

Excerpts from Senate Bill No. 736
Seventy-seventh Legislature
Regular Session

EXCERPTS FROM SENATE BILL NO. 736

SECTION 3. (a) This Act takes effect September 1, 2001.

(b) To provide a reasonable period for each project agency under Article 8930, Revised Statutes, as amended by this Act, to establish itself as self-directed semi-independent after the conclusion of fiscal year 2001, each agency is appropriated an amount equal to 50 percent of that agency's appropriated amount for fiscal year 2001. This appropriation may be spent as the project agency directs and shall be repaid to the general revenue fund by the agency as funds become available.

(c) Examination fees collected prior to September 1, 2001, for examinations conducted after September 1, 2001, shall be made available to the project agency to be spent as the agency directs.