

**Strategic Fiscal Review 2016-17
House Budget Recommendations: HB 1 as Introduced
Trusted Programs Within the Office of the Governor (300)**

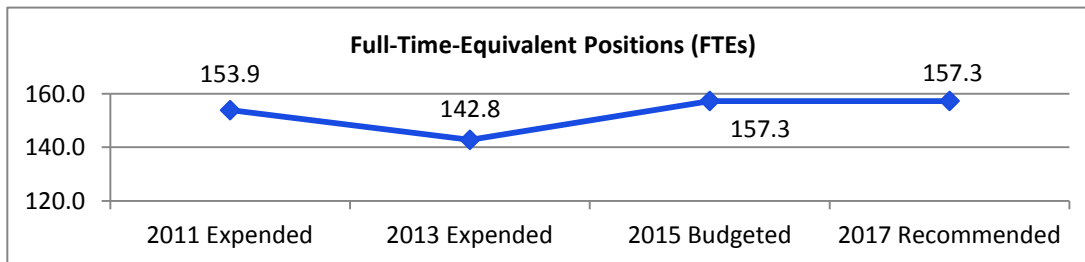
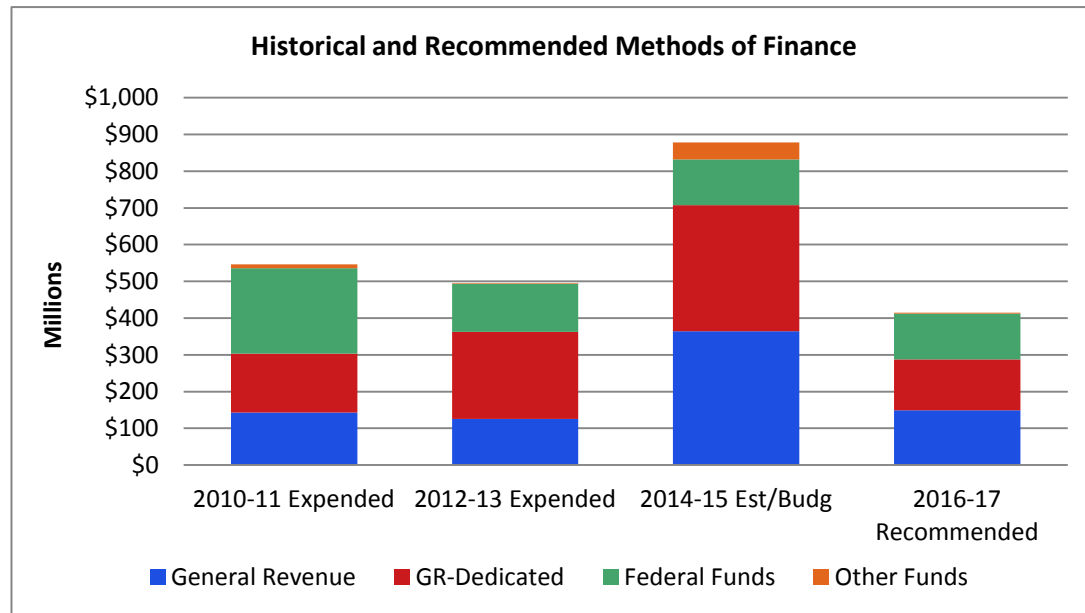
The staff of the Legislative Budget Board conducted the Strategic Fiscal Review in the fall of 2014. The analysis contained in these materials reflects that staff review. The budget amounts for 2016-17 reflect budget recommendations contained in House Bill 1 as Introduced.

Schedule 1: Agency Overview

Mission Statement: There is no formal mission statement because the Governor is exempt from the Strategic Planning process in accordance with Government Code 2056.001(3), which exempts the Governor from Strategic Plan requirements.

Legal Authority: Texas Constitution Article IV, Section 10; Art. 3 Sec. 49-n; Article 16, Sec. 71; Texas Government Code, Ch. 123, 401, 403, 414, 418, 421, 436, 481, 485, 489, 490, 751, 772; Human Resources Code, Ch. 115; Code of Criminal Procedure, Ch. 102; Health and Human Safety Code, Ch. 169A; Executive Order RP3; and Victims of Crime Act of 1984.

Total Number of Programs: 33



Overview and Significant Findings

■ **The majority of agency programs are classified under three functions.** The primary function of the Trusted Programs Within the Office of the Governor is to provide grants for various programs, including: Disaster and Deficiency funds, Criminal Justice grants, and Economic Development incentives.

The Trusted Programs Within the Office of the Governor is also assigned operations of two former state agencies: the Office of State-Federal Relations and the Texas Department of Economic Development.

■ **All programs are ranked as the number one priority by the agency.** The Trusted Programs Within the Office of the Governor submitted all programs with a priority ranking of one. In subsequent pages, the order of programs was determined by the order they were listed in the submission materials.

■ **The agency's budget structure is reordered to group common strategies within clear statewide goals.** Recommendations include changes to the agency's 2016-17 budget structure previously approved by the LBB and the Governor's Office of Budget, Planning and Policy. Changes to the budget structure group common Items of Appropriation together in three separate Goals within the budget structure to provide greater detail and transparency of the activities of the Trusted Programs within the agency: Grant Assistance and Programs, Criminal Justice Activities, and Economic Development and Tourism. Economic Development and Tourism activities have also been divided into two strategies to reflect the differing missions.

Schedule 1: Agency Overview

Notes:

- **The agency identified 33 programs that are operated by the Trusteed Programs.** The agency's strategies were divided into 33 programs for the Strategic Fiscal Review exercise. The strategies that were separated into multiple programs are:
Strategy B.1.1, Criminal Justice, which is divided into 15 programs;
Strategy B.1.3, Homeland Security, which is separated into 2 programs;
Strategy C.1.1, Economic Development, which became 4 programs; and
Strategy C.1.3, Film and Music Marketing, which is divided into 2 programs.
- **The agency did not provide detailed information at the activity level.** For most programs, the agency did not break down their submission into activities beyond the direct and indirect administration of the program. The lack of activity detail constrained certain analysis performed during the Strategic Fiscal Review exercise.
- **The agency included administration costs across strategies and agencies.** The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. Additionally in some programs, direct administration was allocated across programs to reflect the funding for management that may not tie directly to the LAR submission. In the case of the Emergency and Deficiency Grants and Disaster Funding, the indirect administration amounts reflect appropriations to the Office of the Governor, not the Trusteed Programs, for the staff who administer these funds when the need occurs. This has caused the totals in the SFR submission to be slightly higher than the LAR submission.
- **The submission had differences from the Legislative Appropriations Request (LAR).** The Trusteed Programs Within the Office of the Governor had small rounding errors in the totals of their SFR submission due to the allocation of FTEs and appropriations at the activity level rather than the Strategy level of the LAR submissions. The agency has verified that the totals are correct in the LAR and should be used for recommendations.
- **The agency does not have a mission statement.** The Trusteed Programs Within the Governor does not have an over arching mission statement or a strategic plan, therefore, the mission strength of the programs was determined using program-level mission statements, performance measures, and strategy alignment.

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Schedule 2A: Program Listing -- Services and Administration

Agency Submission		Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
1	Emergency and Deficiency Grants	1987	Statute; GAA - Agency Rider	N/A	Strong	Moderate	State Government Administration & Support	Statewide	No	No
1	Disaster Funding	1989	Statute; GAA - Agency Rider	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
1	State Criminal Justice Planning	1985	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
1	Prostitution Prevention Programs	2013	Statute; GAA - Agency Rider	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Crime Stoppers Assistance	1987	Statute; Administrative Code	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
1	Drug Courts	2001	Statute; GAA - Agency Rider	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
1	Internet Crime Against Children Task Forces	2013	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Bullet Proof Vest Partnership	1998	Statute	N/A	Strong	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Federal Justice Administration	2008	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Forensic Science	2000	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Juvenile Accountability	1997	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Juvenile Justice and Delinquency Prevention	1994	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Residential Substance Abuse Treatment	1994	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Sexual Assault Services and Prevention	2009	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Title V Incentive Grants for Local Delinquency Prevention	2002	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Victims of Crime Act	1984	Statute	Public Law	Strong	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Violence Against Women Act	1995	Statute	N/A	Moderate	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Texas Film Commission	1971	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	Yes	No

Schedule 2A: Program Listing -- Services and Administration

Agency Submission		Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
1	Texas Music Office	1990	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Committee on People with Disabilities	1950	Statute	N/A	Strong	Strong	State Government Administration & Support	Statewide	Yes	No
1	Governor's Commission For Women	1967	Executive Order	N/A	Weak	Moderate	State Government Administration & Support	Statewide	No	No
1	County Essential Services	2002	Statute	N/A	Moderate	Moderate	Local Government & Community Support	Statewide	No	No
1	Texas Enterprise Fund	2003	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	Yes	No
1	Texas Business Development	2003	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Texas Tourism	2003	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Economic Development Bank	2003	Constitution, Statute; GAA - Agency Rider	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Office of Aerospace, Aviation, and Defense	2003	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Small Business Advocacy	2003	Statute	N/A	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	No
1	Military Preparedness Commission	2009	Statute; Administrative Code; GAA - Agency Rider	N/A	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	No
1	Office of State-Federal Relations	1965	Statute; GAA - Agency Rider	N/A	Strong	Strong	State Government Administration & Support	Statewide	No	No
1	Homeland Security	2006	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
1	Border Prosecutions	2009	Statute; GAA - Agency Rider	N/A	Strong	Weak	Legal Services & Law Enforcement	Statewide	No	No
1	Texas Emerging Technology Fund	2005	Statute; GAA - Agency Rider	N/A	Strong	Strong	Business & Workforce Development & Regulation	Statewide	Yes	No
Program Summary Included										

Notes: **Program Establishment Timeline.** The oldest program of the Trusteed Programs Within the Office of the Governor is the Committee on People with Disabilities, established in 1950. The most recent are the Prostitution Prevention and the Internet Crime Against Children Task Forces programs under the Criminal Justice Division, which began in fiscal year 2014. Most of the Economic Development programs were moved into the Office of the Governor from the Texas Department of Economic Development in 2003.

Significant Audit and/or Report Findings. SAO Audit findings have been partially implemented for the Emerging Technology Fund and the Texas Enterprise Fund.

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Schedule 2B: Program Listing -- Fiscal

Agency Submission					Review, Analysis, and Funding							Appropriate Use of Constitutional and GR-Dedicated Funds?	Agency Funding Alternatives in Recs?
Agency Ranking	Program Name	1st Year Full Implementation	2010-11 Expended	2012-13 Expended	2014-15 Est / Budg	2015 FTEs Budg	2016-17 HB 1 - Intro	2017 FTEs Rec.	Percent Change from Base	FTEs from Base	Revenue Supported?		
1	Emergency and Deficiency Grants	\$ 12,750,000	\$ 394,843	\$ 502,000	\$ 4,475,114	0.0	\$ 2,341,157	0.0	-47.7%	0.0	No	NA	No
1	Disaster Funding	\$ 10,988,136	\$ 21,684,729	\$ 14,177,162	\$ 86,896,552	0.0	\$ 24,812,000	0.0	-71.4%	0.0	No	NA	No
1	State Criminal Justice Planning	\$ 34,144,710	\$ 44,167,454	\$ 37,074,268	\$ 118,547,509	12.1	\$ 57,517,141	8.2	-51.5%	-3.9	No	Compliant	No
1	Prostitution Prevention Programs	\$ 1,460,500	\$ -	\$ -	\$ 3,129,174	0.5	\$ 3,120,258	0.5	-0.3%	0.0	No	Compliant	No
1	Crime Stoppers Assistance	\$ 1,109,177	\$ 1,318,965	\$ 1,337,859	\$ 2,344,156	1.1	\$ 1,883,552	1.3	-19.6%	0.3	No	Compliant	No
1	Drug Courts	\$ 467,196	\$ 2,101,302	\$ 4,660,831	\$ 6,708,174	1.1	\$ 8,199,258	1.3	22.2%	0.3	No	Compliant	No
1	Internet Crime Against Children Task Forces	\$ 800,000	\$ -	\$ -	\$ 1,808,174	1.1	\$ 1,799,258	1.3	-0.5%	0.3	No	Compliant	No
1	Bullet Proof Vest Partnership	\$ 121,395	\$ 291,151	\$ 540,279	\$ 244,041	1.1	\$ 259,258	1.3	6.2%	0.3	No	Compliant	No
1	Federal Justice Administration	\$ 15,396,901	\$ 120,549,928	\$ 39,939,426	\$ 30,396,166	3.1	\$ 31,056,750	3.3	2.2%	0.3	No	Compliant	No
1	Forensic Science	\$ 232,167	\$ 3,061,388	\$ 2,086,726	\$ 1,382,126	1.1	\$ 1,299,258	1.3	-6.0%	0.3	No	Compliant	No
1	Juvenile Accountability	\$ 14,287,102	\$ 8,051,915	\$ 3,817,207	\$ 3,917,793	1.1	\$ 421,766	1.3	-89.2%	0.3	No	Compliant	No
1	Juvenile Justice and Delinquency Prevention	\$ 6,498,389	\$ 10,823,177	\$ 5,320,262	\$ 5,830,030	4.1	\$ 7,287,616	4.3	25.0%	0.2	No	Compliant	No
1	Residential Substance Abuse Treatment	\$ 10,627,296	\$ 3,122,520	\$ 3,826,253	\$ 2,263,103	1.1	\$ 2,379,258	1.3	5.1%	0.3	No	Compliant	No
1	Sexual Assault Services and Prevention	\$ 418,725	\$ 862,990	\$ 1,042,068	\$ 1,325,825	1.1	\$ 1,199,258	1.3	-9.5%	0.3	No	Compliant	No
1	Title V Incentive Grants for Local Delinquency Prevention	\$ 2,012,472	\$ -	\$ -	\$ 107,500	0.0	\$ -	0.0	-100.0%	0.0	No	Compliant	No
1	Victims of Crime Act	\$ 28,801,714	\$ 58,130,009	\$ 57,119,930	\$ 62,252,272	3.1	\$ 63,549,310	3.3	2.1%	0.3	No	Compliant	No
1	Violence Against Women Act	\$ 8,334,552	\$ 23,876,178	\$ 18,061,027	\$ 18,065,081	2.1	\$ 18,245,508	2.3	1.0%	0.3	No	Compliant	No
1	Texas Film Commission	\$ 423,366	\$ 45,045,439	\$ 32,979,993	\$ 98,308,885	22.2	\$ 9,344,161	20.5	-90.5%	-1.7	No	NA	No
1	Texas Music Office	\$ 193,409	\$ 547,315	\$ 722,765	\$ 720,502	4.1	\$ 643,520	3.6	-10.7%	-0.5	Yes	Compliant	No
1	Committee on People with Disabilities	\$ 348,454	\$ 726,932	\$ 871,674	\$ 2,169,283	6.8	\$ 1,535,166	6.7	-29.2%	-0.1	No	NA	No
1	Governor's Commission For Women	\$ 70,509	\$ 147,501	\$ 173,336	\$ 725,026	1.4	\$ 452,648	1.4	-37.6%	0.0	No	NA	No
1	County Essential Services	\$ -	\$ 791,975	\$ 1,377,272	\$ 3,675,478	1.1	\$ 2,539,920	1.3	-30.9%	0.3	No	Compliant	No
1	Texas Enterprise Fund	\$ 100,180,526	\$ 26,234,771	\$ 111,413,796	\$ 126,598,980	0.4	\$ 30,070,000	0.4	-76.2%	0.0	Yes	Compliant	No
1	Texas Business Development	\$ 1,730,061	\$ 4,267,328	\$ 4,612,840	\$ 14,838,799	30.3	\$ 9,497,446	34.2	-36.0%	3.9	No	Compliant	No
1	Texas Tourism	\$ 17,113,005	\$ 53,016,063	\$ 60,654,375	\$ 96,441,390	14.9	\$ 70,054,240	15.2	-27.4%	0.3	Yes	Compliant	No
1	Economic Development Bank	\$ 7,032,698	\$ 24,260,635	\$ 12,064,804	\$ 67,241,611	9.9	\$ 20,332,108	9.2	-69.8%	-0.7	Yes	Compliant	No
1	Office of Aerospace, Aviation, and Defense	\$ 379,303	\$ 932,617	\$ 871,507	\$ 16,015,144	5.9	\$ 1,045,932	5.2	-93.5%	-0.7	Yes	Compliant	No

Schedule 2B: Program Listing -- Fiscal

Agency Submission					Review, Analysis, and Funding							Appropriate Use of Constitutional and GR-Dedicated Funds?	Agency Funding Alternatives in Recs?
Agency Ranking	Program Name	1st Year Full Implementation	2010-11 Expended	2012-13 Expended	2014-15 Est / Budg	2015 FTEs Budg	2016-17 HB 1 - Intro	2017 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?		
1	Small Business Advocacy	\$ 605,928	\$ 1,975,622	\$ 1,310,624	\$ 1,985,901	8.9	\$ 2,027,132	8.2	2.1%	-0.7	No	Compliant	No
1	Military Preparedness Commission	\$ 649,994	\$ 9,644,676	\$ 1,163,023	\$ 2,597,219	3.3	\$ 1,563,485	3.3	-39.8%	0.0	No	Compliant	No
1	Office of State-Federal Relations	\$ 371,473	\$ 812,829	\$ 1,320,108	\$ 2,744,185	5.7	\$ 2,114,884	6.6	-22.9%	0.9	No	NA	No
1	Homeland Security	\$ 1,750,721	\$ 4,232,174	\$ 2,253,719	\$ 409,390	1.9	\$ 367,780	1.9	-10.2%	0.0	No	NA	No
1	Border Prosecutions	\$ 3,493,138	\$ 3,493,138	\$ 3,227,467	\$ 5,005,121	0.0	\$ 6,000,000	0.0	19.9%	0.0	No	Compliant	No
1	Texas Emerging Technology Fund	\$ 331,115	\$ 71,656,074	\$ 70,136,259	\$ 88,830,037	7.3	\$ 32,070,000	7.3	-63.9%	0.0	Yes	Compliant	No
Total	Program Summary Included		\$ 546,221,638	\$ 494,658,860	\$ 877,999,741	157.3	\$ 415,029,028	157.3	-52.7%	0.0			

Notes: The agency requested an appropriation of \$50.0 million in General Revenue to be transferred to the Emerging Technology Fund GR-Dedicated Account. Recommendations do not include new funding for this program, but includes unexpended balances, not to exceed \$32.0 million, across biennia for this Fund.

Data included in the column labeled *1st Year of Full Implementation* may reflect several different fiscal years and therefore it is not summed.

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Schedule 2C: Program Listing -- Explanation of Recommendations

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced
1	Emergency and Deficiency Grants	↓	Funding: Decrease of \$2.2 million from the 2014-15 baseline funding level.
1	Disaster Funding	↓	Funding: Decrease to \$12.4 million each fiscal year for disaster grants based on historical expenditures, and a decrease related to the expenditure of \$5.0 million from the one-time BP Oil Spill Response Grant.
1	State Criminal Justice Planning	↓	Funding: Decrease of \$65.6 million from the 2014-15 baseline funding level; offset by an increase of \$4.6 million in General Revenue related to truancy prevention grants.
1	Prostitution Prevention Programs	↓	Funding: Decrease of approximately \$9,000 from the 2014-15 baseline funding level.
1	Crime Stoppers Assistance	↓	Funding: Decrease of approximately \$0.5 million from the 2014-15 baseline funding level.
1	Drug Courts	↑	Funding: Increase of approximately \$1.5 million from the 2014-15 baseline funding level.
1	Internet Crime Against Children Task Forces	↓	Funding: Decrease of approximately \$9,000 from the 2014-15 baseline funding level.
1	Bullet Proof Vest Partnership	↑	Funding: Increase of approximately \$15,000 from the 2014-15 baseline funding level.
1	Federal Justice Administration	↑	Funding: Increase of approximately \$0.7 million from the 2014-15 baseline funding level.
1	Forensic Science	↓	Funding: Decrease of approximately \$0.1 million from the 2014-15 baseline funding level.
1	Juvenile Accountability	↓	Funding: Decrease of approximately \$3.5 million from the 2014-15 baseline funding level.
1	Juvenile Justice and Delinquency Prevention	↑	Funding: Increase of approximately \$1.5 million from the 2014-15 baseline funding level.
1	Residential Substance Abuse Treatment	↑	Funding: Increase of approximately \$0.1 million from the 2014-15 baseline funding level.
1	Sexual Assault Services and Prevention	↓	Funding: Decrease of approximately \$0.1 million from the 2014-15 baseline funding level.
1	Title V Incentive Grants for Local Delinquency Prevention	↓	Funding: Recommendations reflect the agency's request for \$0 funding for this program.
1	Victims of Crime Act	↑	Funding: Increase of approximately \$1.3 million from the 2014-15 baseline funding level.
1	Violence Against Women Act	↑	Funding: Increase of approximately \$0.2 million from the 2014-15 baseline funding level.
1	Texas Film Commission	↓	Funding: Decreases of \$63.1 million due to removal of the contingency for additional collection of Hotel Occupancy Tax and \$22.0 million in contingency funds for film incentives.
1	Texas Music Office	↓	Funding: Decrease of approximately \$76,000 from the 2014-15 baseline funding level.

Schedule 2C: Program Listing -- Explanation of Recommendations

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced
1	Committee on People with Disabilities	↓	Funding: Decrease of approximately \$0.6 million from the 2014-15 baseline funding level.
1	Governor's Commission For Women	↓	Funding: Decrease of approximately \$0.3 million from the 2014-15 baseline funding level.
1	County Essential Services	↓	Funding: Decrease of approximately \$1.1 million from the 2014-15 baseline funding level.
1	Texas Enterprise Fund	↓	Funding: Recommendations include the agency's request for a direct appropriation of unexpended balances, not to exceed \$30.0 million, for grants out of the Texas Enterprise Fund Account No. 5107.
1	Texas Business Development	↓	Funding: Decrease of approximately \$5.3 million from the 2014-15 baseline funding level.
1	Texas Tourism	↓	Funding: Decrease of approximately \$26.4 million from the 2014-15 baseline funding level; and a decrease of \$5.7 million in General Revenue due to removal of the contingency for additional collection of Hotel Occupancy Tax.
1	Economic Development Bank	↓	Funding: Decrease of approximately \$41.9 million from the 2014-15 baseline funding levels; and a decrease of approximately \$5.0 million to adjust amounts provided by the agency not included in the LAR.
1	Office of Aerospace, Aviation, and Defense	↓	Funding: Decrease of \$15.0 million related to one-time funding for Spaceport Incentives transferred to the Spaceport Trust Fund outside the treasury.
1	Small Business Advocacy	↑	Funding: Increase of approximately \$41,000 from the 2014-15 baseline funding level.
1	Military Preparedness Commission	↓	Funding: Decrease of approximately \$1.0 million from the 2014-15 baseline funding level.
1	Office of State-Federal Relations	↓	Funding: Decrease of approximately \$0.6 million from the 2014-15 baseline funding level.
1	Homeland Security	↓	Funding: Decrease of approximately \$42,000 from the 2014-15 baseline funding level.
1	Border Prosecutions	↑	Funding: Recommendations include the agency's request for \$6.0 million as an exceptional item for this program.
1	Texas Emerging Technology Fund	↓	Funding: Recommendations do not include the agency's baseline request for approximately \$50.0 million in General Revenue to be transferred to Emerging Technology Account No. 5124. Recommendations include a direct appropriation of unexpended balances, not to exceed \$32.0 million, for grants out of the Texas Emerging Technology Fund Account No. 5124.
Program Summary Included			

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Schedule 3: Assessments of Mission Centrality and Authority

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Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.

Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

		MISSION CENTRALITY		
		Weak	Moderate	Strong
AUTHORITY	Strong	Border Prosecutions Bullet Proof Vest Partnership Victims of Crime Act	Crime Stoppers Assistance Economic Development Bank Emergency and Deficiency Grants Drug Courts Office of Aerospace, Aviation, and Defense Small Business Advocacy State Criminal Justice Planning Texas Business Development Texas Enterprise Fund Texas Film Commission Texas Music Office Texas Tourism	Committee of People with Disabilities Homeland Security Military Preparedness Commission Office of State-Federal Relations Texas Emerging Technology Fund
	Moderate	Federal Justice Administration Forensic Science Internet Crime Against Children Task Forces Juvenile Accountability Juvenile Justice and Delinquency Prevention Prostitution Prevention Programs Residential Substance Abuse Treatment Sexual Assault Services and Prevention Title V Incentive Grants for Local Delinquency Violence Against Women Act	County Essential Services Disaster Funding	
	Weak		Governor's Commission For Women	

Notes:

The Trusteed Programs Within the Governor does not have a over arching mission statement or strategic plan, therefore, the mission strength of the programs was determined using program-level mission statements, performance measures, and strategy alignment.

Methodology:

The authority for a program was determined to be strong if the program was mentioned in statute or federal law and associated with the agency. The authority was moderate if the program was not specifically mentioned in statute, but fell under an umbrella program that was mentioned, or the program was clearly in statute but not strongly associated with the agency. The authority was weak if the program was not mentioned in statute.

The mission centrality of a program was determined to be strong if the program had a strategic plan or strong mission statement on the agency's website, the program aligned with the agencies strategies, and there were performance measures tracked for the program. The program was moderate if aligned directly with an agency strategy and the program was described on the agency website. A program's mission centrality was determined to be weak if it was related to, but not aligned with, an agency strategy, the program had no related performance measures, and was not described on the agency website.

Note: The matrix does not include Indirect Administration programs.

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Schedule 4: Constitutional and General Revenue-Dedicated Accounts

1 Account: 588 - Small Business Incubator Fund
Legal Cite(s): TEX. CONST. art. XVI, § 71; TEX. GOV'T CODE ANN. § 489.212, § 481.415
Authorized Use: Re-established as a revolving fund in the treasury composed of bond proceeds, application fees, loan repayments, guarantee fees, royalties, dividend income, appropriations, federal grants and any other authorized sources. Includes capital access program amounts transferred from the Economic Development Bank (GR Account 5106). The fund contains a project account, interest and sinking account and other authorized accounts. Used for administration and to provide financing to foster and stimulate development of small business in this state.
Revenue Source: Fees for Administrative Services, Repayments from Political Subdivisions/Other of Loans/Advances, Interest on Oil Overcharge Loans, Reimbursements – Third Party, Interest on State Deposits and Treasury Investments - General, Non-Program Interest Income, Other Operating Revenue – Operating Grants and Contributions

HB 3578, 83rd Legislature, Regular Session, allows the Texas Economic Development Bank to allocate money in or due to the capital access fund account to certain Texas Economic Development Bank Programs, including those related to the Product Development Fund and the Small Business Incubator Fund.

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 ECONOMIC DEVELOPMENT BANK	Compliant	\$ -	\$ 1,697,145	\$ 145,635	\$ 20,330,014	\$ 640,000	
Total, 588 - Small Business Incubator Fund			\$ 1,697,145	\$ 145,635	\$ 20,330,014	\$ 640,000	

2 Account: 589 - Texas Product Development Fund
Legal Cite(s): TEX. CONST. art. XVI, § 71; TEX. GOV'T CODE ANN. § 489.211
Authorized Use: Re-established as a revolving fund in the treasury from bond proceeds, application fees, loan repayments, guarantee fees, royalties, dividend income, appropriations, federal grants and any other authorized sources. Includes capital access program amounts transferred from the Economic Development Bank (GR Account 5106). The fund contains a program account, an interest and sinking account and other authorized accounts. Used for administration and to provide financing to aid in the development and production of new or improved products in this state.
Revenue Source: Fees for Administrative Services, Repayments from Political Subdivisions/Other of Loans/Advances, Reimbursements – Third Party, Interest on State Deposits and Treasury Investments - General, Non-Program Interest Income, Other Operating Revenue – Operating Grants and Contributions

HB 3578, 83rd Legislature, Regular Session, allows the Texas Economic Development Bank to allocate money in or due to the capital access fund account to certain Texas Economic Development Bank Programs, including those related to the Product Development Fund and the Small Business Incubator Fund.

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 ECONOMIC DEVELOPMENT BANK	Compliant		\$ 6,771,572	\$ 171,268	\$ 23,126,631	\$ 870,000	
Total, 589 - Texas Product Development Fund			\$ 6,771,572	\$ 171,268	\$ 23,126,631	\$ 870,000	

3 **Account:** 5114 - GR Account – Texas Military Value Revolving Loan
Legal Cite(s): TEX. CONST. art. III sec. 49-n, TEX. GOV'T CODE ANN. § 436.156
Authorized Use: Account in the General Revenue Fund for deposit of loan payments made by a political subdivision, gifts and grants and proceeds from the sale of general obligation bonds as authorized by Section 40-n, Article III, Texas Constitution. Used to fund loans to political subdivisions and defense communities to prepare a comprehensive defense installation and community strategic impact plans. Texas Public Finance Authority is appropriated amounts from this fund to pay debt service related to the bonds issued for loans to local defense communities.
Revenue Source: Repayments from Political Subdivisions/Other of Loans/Advances, Interest Income (from Annual Cash Report)

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 MILITARY PREPAREDNESS COMMISSION	Compliant	\$ 48,760,635	\$ 5,449,126	\$ 6,660,236	\$ 19,001,449	\$ 6,073,285	In November 2003, voters approved the authorization of \$250 million in general obligation bond authority to provide loans to local defense communities. Debt service for the authorized amount was first appropriated in the 2006-07 General Appropriation Act. Appropriations out of General Revenue - Dedicated Texas Military Revolving Loan Account No. 5114 are made to Texas Public Finance Authority for debt service obligations.
Total, 5114 - GR Account – Texas Military Value Revolving Loan			\$ 5,449,126	\$ 6,660,236	\$ 19,001,449	\$ 6,073,285	

4 **Account:** GR Dedicated - Operators and Chauffeurs License Account No. 099
Legal Cite(s): TX. LOC. GOV'T CODE ANN. § 133.102
Authorized Use: To receive federal dollars and other authorized revenue. May be used for salaries, purchases of equipment and supplies and other expenses necessary for the operation of the Department of Public Safety. Unless federally restricted, undedicated and unobligated funds may be appropriated to Criminal Justice Division of Governor's Office for grants under the Border Crime Grant Program. Revenues are no longer deposited into this account. Revenues (court costs) are deposited directly to the Law Enforcement and Custodial Officer Supplement Retirement Trust Fund.
Revenue Source: Court Costs, Warrants Voided by Statute of Limitation – Default Fund, Federal Receipts Not Matched – Other Programs, Fees for Copies or Filing of Records, Conference, Seminars, and Training Registration Fees, Insurance Recovery in Subsequent Years, Reimbursements – Third Party

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 BORDER PROSECUTIONS	Compliant	\$ 3,493,138	\$ 3,493,138	\$ 3,227,467	\$ -	\$ -	
Rnk 1 DISASTER FUNDING	Compliant	\$ -	\$ 3,999,262	\$ 2,010,779	\$ -	\$ -	
Total, GR Dedicated - Operators and Chauffeurs License Account No. 099			\$ 7,492,400	\$ 5,238,246	\$ -	\$ -	

5 **Account:** **GR Dedicated - Criminal Justice Planning Account No. 421**
Legal Cite(s): TX. CRIM. PROC. CODE ANN § 102.056; TX. GOV'T CODE ANN. § 772.006; TX. LOC. GOV'T CODE ANN. § 133.102

Authorized Use: To receive court costs collected from defendants convicted under certain sections of the Penal Code. Defendants convicted of a felony pay \$133. Defendants convicted of a Class A or B misdemeanor pay \$83. Defendants convicted of a non-jailable misdemeanor pay \$40. This account receives 12.5537% of total collections. Also receives matching monies in accordance with Public Law 90-351, Title 1, Omnibus Crime Control and Safe Streets Act of 1968.

Revenue Source: Court Costs, Fees from Misdemeanor or Felony Cases, Federal Receipts Matched – Other Programs, Federal Receipts Not Matched – Other Programs, Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions, Supplies/Equipment/Services – Local Funds, Reimbursements – Third Party

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 STATE CRIMINAL JUSTICE PLANNING	Compliant	\$ 34,144,710	\$ 36,589,000	\$ 36,979,959	\$ 93,154,954	\$ 45,251,375	
Rnk 1 PROSTITUTION PREVENTION PROGRAM	Compliant	\$ 1,460,500	\$ -	\$ -	\$ 2,987,530	\$ 2,988,960	
Rnk 1 CRIME STOPPERS ASSISTANCE	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 DRUG COURTS	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 INTERNET CRIME AGAINST CHILDREN TASK	Compliant	\$ -	\$ -	\$ -	\$ 66,530	\$ 67,960	
Rnk 1 BULLET PROOF VEST PARTNERSHIPS	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 FEDERAL JUSTICE ASSISTANCE	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 FORENSIC SCIENCE	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 JUVENILE ACCOUNTABILITY	Compliant	\$ -	\$ 126,844	\$ 66,267	\$ 67,893	\$ 67,960	
Rnk 1 JUVENILE JUSTICE AND DELINQUENCY PRE	Compliant	\$ -	\$ 711,939	\$ 243,444	\$ 222,590	\$ 226,370	
Rnk 1 RESIDENTIAL SUBSTANCE ABUSE TREATMI	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 SEXUAL ASSAULT SERVICES AND PREVENT	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 VICTIMS OF CRIME ACT	Compliant	\$ -	\$ 123,801	\$ 62,396	\$ 66,530	\$ 67,960	
Rnk 1 VIOLENCE AGAINST WOMEN ACT	Compliant	\$ -	\$ 465,013	\$ 371,066	\$ 319,478	\$ 314,210	
Rnk 1 COUNTY ESSENTIAL SERVICES	Compliant	\$ -	\$ 123,801	\$ 65,165	\$ 66,530	\$ 67,960	
Rnk 1 BORDER PROSECUTIONS	Compliant	\$ -	\$ -	\$ -	\$ 5,005,121	\$ 6,000,000	
Total, GR Dedicated - Criminal Justice Planning Account No. 421			\$ 39,007,005	\$ 38,225,069	\$ 102,422,866	\$ 55,528,475	

6 **Account:** GR Dedicated - Crime Stoppers Assistance Account No. 5012
Legal Cite(s): TX. LOC. GOV'T CODE ANN. § 133.102; TX. GOV'T CODE ANN. § 414.010
Authorized Use: Created to receive court costs from defendants convicted under certain sections of the Penal Code. Defendants convicted of a felony pay \$133, defendants convicted of a Class A or B misdemeanor pay \$83 and defendants convicted of a non-jailable offense pay \$40. This account receives 0.2581% of total collections. 10% of the amounts deposited used for operation of toll-free telephone services under Section 414.012, Government Code and remainder distributed to local crime stoppers organizations. Not later than the 60th day after a crime stoppers organization is dissolved or decertified, the organization shall forward all unexpended money to the comptroller for deposit to this account.

Revenue Source: Court Costs, Court Cost/Crime Stoppers Assistance

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 CRIME STOPPERS ASSISTANCE	Compliant	\$ 1,109,177	\$ 1,107,326	\$ 1,185,537	\$ 2,135,982	\$ 1,684,294	
Total, GR Dedicated - Crime Stoppers Assistance Account No. 5012			\$ 1,107,326	\$ 1,185,537	\$ 2,135,982	\$ 1,684,294	

7 **Account:** GR Dedicated - Economic Development Bank Account No. 5106
Legal Cite(s): TX. GOV'T CODE ANN. § 489.105
Authorized Use: Account in the General Revenue Fund consists of appropriations, earnings from GR Account -- Capital Access (5035), fees under Ch. 481, Subchapter BB, fees under Ch. 489, investment earnings from the Texas Product Development Fund (0589), investment earnings from the Small Business Incubator Fund (0588) and other amounts received by the state under Ch. 489. Used only to carry out the purposes of Ch. 489. This includes grants to TxDOT to implement rural light rail under Ch. 91, Transportation Code (Added by H.B. 2660, 80th Leg., R.S.).

Revenue Source: Fees for Administrative Services, Warrants Voided by Statute of Limitation – Default Fund, Repayments from Political Subdivisions/Other of Loans/Advances, Interest on State Deposits and Treasury Investments - General, Non-Program, Interest on Local Deposits – State Agencies, Interest on Investments, Obligations and Securities – Operating Revenue – Operating Grants and Contributions, Interest Income, Other Operating Revenue – Operating Grants and Contributions, Reimbursements – Third Party

HB 3578, 83rd Legislature, Regular Session, allows the Texas Economic Development Bank to allocate money in or due to the capital access fund account to certain Texas Economic Development Bank Programs, including those related to the Product Development Fund and the Small Business Incubator Fund.

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS BUSINESS DEVELOPMENT	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 TEXAS TOURISM	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 ECONOMIC DEVELOPMENT BANK	Compliant	\$ 463,570	\$ 15,250,194	\$ 11,178,503	\$ 23,228,055	\$ 18,633,670	
Rnk 1 OFFICE OF AEROSPACE, AVIATION, AND DEFENSE	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 SMALL BUSINESS ADVOCACY	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 TEXAS ENTERPRISE FUND	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 MILITARY PREPAREDNESS COMMISSION	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Rnk 1 TEXAS EMERGING TECHNOLOGY FUND	Compliant	\$ -	\$ -	\$ -	\$ 39,433	\$ 40,000	
Total, GR Dedicated - Economic Development Bank Account No. 5106			\$ 15,250,194	\$ 11,178,503	\$ 23,504,086	\$ 18,913,670	

8 Account: GR Dedicated - Texas Enterprise Fund 5107
Legal Cite(s): TEX. GOV'T CODE ANN. sec. 481.078
Authorized Use: Account in the General Revenue Fund consists of appropriations, interest earned, gifts, grants and donations. Used only for economic development, infrastructure development, community development, job training programs and business. May be used temporarily for cash management purposes by the comptroller. Funds may also be used for the Texas Homeless Housing and Services Program administered by the Texas Department of Housing and Community Affairs, Agency 332.
Revenue Source: Administrative Penalties, Repayments from Political Subdivisions/Other of Loans/Advances, Interest on State Deposits and Treasury Investments - General, Non-Program, Interest Other – General, Non-Program, Interest Income, Other Operating Revenue – Operating Grants and Contributions, Forfeitures

The primary revenue source for this account is legislative appropriations of General Revenue.

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS ENTERPRISE FUND	Compliant	\$ 100,100,000	\$ 26,174,345	\$ 111,349,731	\$ 126,516,728	\$ 30,000,000	
Total, GR Dedicated - Texas Enterprise Fund 5107			\$ 26,174,345	\$ 111,349,731	\$ 126,516,728	\$ 30,000,000	

9 Account: GR Dedicated - Texas Music Foundation Plates Account No. 5113
Legal Cite(s): TX. TRANSP. CODE ANN. § 504.369; TX. EDUC. CODE ANN. § 7.027
Authorized Use: Created in General Revenue for specialty license plate fees. Used by the Music, Film, Television and Multimedia Office in the Governor's office to make grants to benefit music-related educational and community programs sponsored by nonprofit organizations in this state. Beginning 9-01-13, license plate revenue deposited to License Plate Trust Fund (0802).
Revenue Source: Motor Vehicle Registration Fees

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS MUSIC OFFICE	Compliant	\$ -	\$ 23,161	\$ 23,741	\$ -	\$ -	
Total, GR Dedicated - Texas Music Foundation Plates Account No. 5113			\$ 23,161	\$ 23,741	\$ -	\$ -	

10 Account: GR Dedicated - Emerging Technology 5124
Legal Cite(s): TEX. GOV'T CODE ANN. sec. 490.101
Authorized Use: Account in the General Revenue Fund consisting of appropriations, benefits realized from a project undertaken with money from the fund, gifts, grants and other donations and interest earned. Used for incentives for collaboration between certain entities, for research awards matching and for acquisition of research superiority. Also used for staff and administration of the fund, including administration by the Governor's Office (Added by H.B. 1188, 80th Leg., R.S.).
Revenue Source: Interest on State Deposits and Treasury Investments - General, Non-Program, Gain on Sale of Investments, Obligations, Securities, Reimbursements – Third Party

The primary revenue source for this account is legislative appropriations of General Revenue.

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS EMERGING TECHNOLOGY FUND	Compliant	\$ -	\$ 71,595,648	\$ 70,072,192	\$ 88,747,785	\$ 32,000,000	
Total, GR Dedicated - Emerging Technology 5124			\$ 71,595,648	\$ 70,072,192	\$ 88,747,785	\$ 32,000,000	

11 **Account:** GR Dedicated - Tourism Account No. 5053 (Abolished)
Legal Cite(s): TX. TRANSP. CODE ANN. § 504.617
Authorized Use: Created August 30, 1999 by S.B. 639, 76th Leg., R.S. Transp. Code sec. 504.617 in General Revenue to record receipts from special "Texas, It's Like a Whole Other Country" license plates. Of \$30 fee, \$22 was deposited to this account and the remainder for administration. Used only to finance tourism activities. Creation of the account was finally authorized by H.B. 3084, 76th Leg., R.S. Texas Department of Economic Development repealed and duties transferred to the Economic Development and Tourism Office in the Governor's Office by S.B. 275, 78th Leg., R.S., effective 9-1-03. Formerly § 502.2733, amended by H.B. 2971, 78th Leg., R.S. H.B. 7, 83rd Leg., R.S. abolished General Revenue-dedicated specialty license plate accounts created under Transportation Code, Subchapter G and changed deposit of license plate revenue to the License Plate Trust Fund (0802). Revenue deposit changed 09/01/2013 and account abolished 09/30/2013.

Revenue Source: Motor Vehicle Registration Fees

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS TOURISM	Compliant	\$ -	\$ -	\$ 146,269	\$ -	\$ -	
Total, GR Dedicated - Tourism Account No. 5053 (Abolished)			\$ -	\$ 146,269	\$ -	\$ -	

12 **Account:** GR Dedicated - Economic Development and Tourism Account No. 5110 (Abolished)
Legal Cite(s): TX. TRANSP. CODE ANN. § 502.271
Authorized Use: Created 2003 by S.B. 275 and H.B. 3318, 78th Leg., R.S. in General Revenue to record receipts from special "Texas Aerospace and Aviation," license plates. Annual fee, in addition to other fees of \$30. Deposit \$22 to this account and the remainder to the state highway fund (0006). Money in the account to be used only to finance economic

Revenue Source: Motor Vehicle Registration Fees

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 OFFICE OF AEROSPACE, AVIATION, AND DEFENSE	Compliant	\$ -	\$ 6,397	\$ 17,678	\$ -	\$ -	
Total, GR Dedicated - Economic Development and Tourism Account No. 5110 (Abolished)			\$ 6,397	\$ 17,678	\$ -	\$ -	

13 **Account:** GR Dedicated - Daughters of the Republic of Texas Plates Account No. 5115 (Abolished)
Legal Cite(s): TX. TRANSP. CODE ANN. § 504.637
Authorized Use: Created 2003 by H.B. 2971 and H.B. 3318, 78th Leg., R.S. Transp. Code 504.637 in General Revenue for the sale of specialty license plates that include the words "Native Texan." Of \$30 fee, \$22 was deposited to this account and remainder for administration. Used by the Economic Development Office in the Governor's office to make grants to the Daughters of the Republic of Texas to preserve Texas historic sites or fund educational programs teaching Texas history. H.B. 7, 83rd Leg., R.S. abolished General Revenue-dedicated specialty license plate accounts created under Transportation Code, Subchapter G and changed deposit of license plate revenue to the License Plate Trust Fund (0802). Revenue deposit changed 09/01/2013 and account abolished 09/30/2013.

Revenue Source: Motor Vehicle Registration Fees

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 HB 1 - Intro	Comments
Rnk 1 TEXAS TOURISM	Compliant	\$ 37,840	\$ 166,713	\$ 149,348	\$ -	\$ -	
Total, GR Dedicated - Daughters of the Republic of Texas Plates Account No. 5115 (Abolished)			\$ 166,713	\$ 149,348	\$ -	\$ -	
Total			\$ 174,741,032	\$ 244,563,453	\$ 405,785,541	\$ 145,709,724	

**Strategic Fiscal Review 2016-17
 Trusted Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Disaster Funding

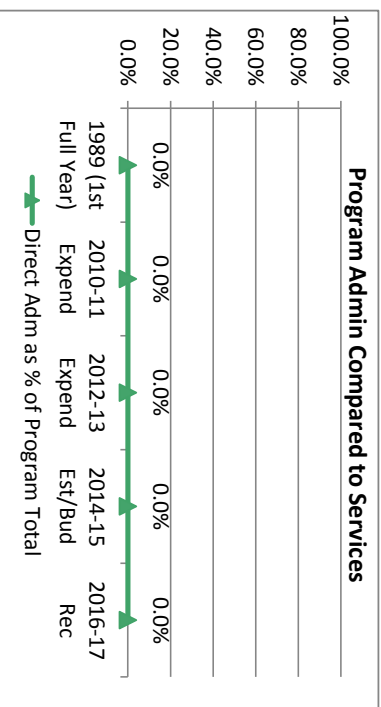
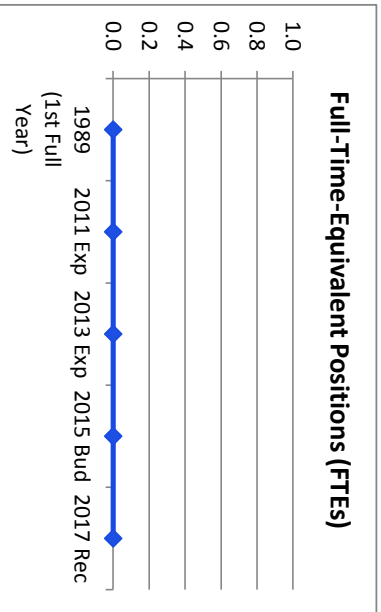
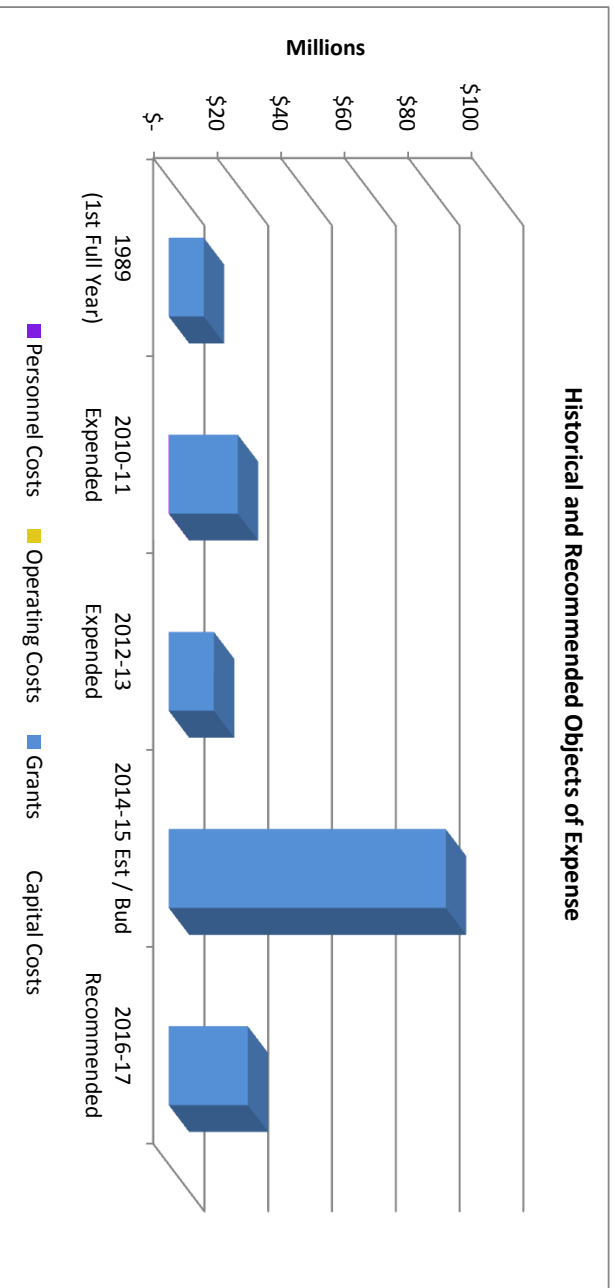
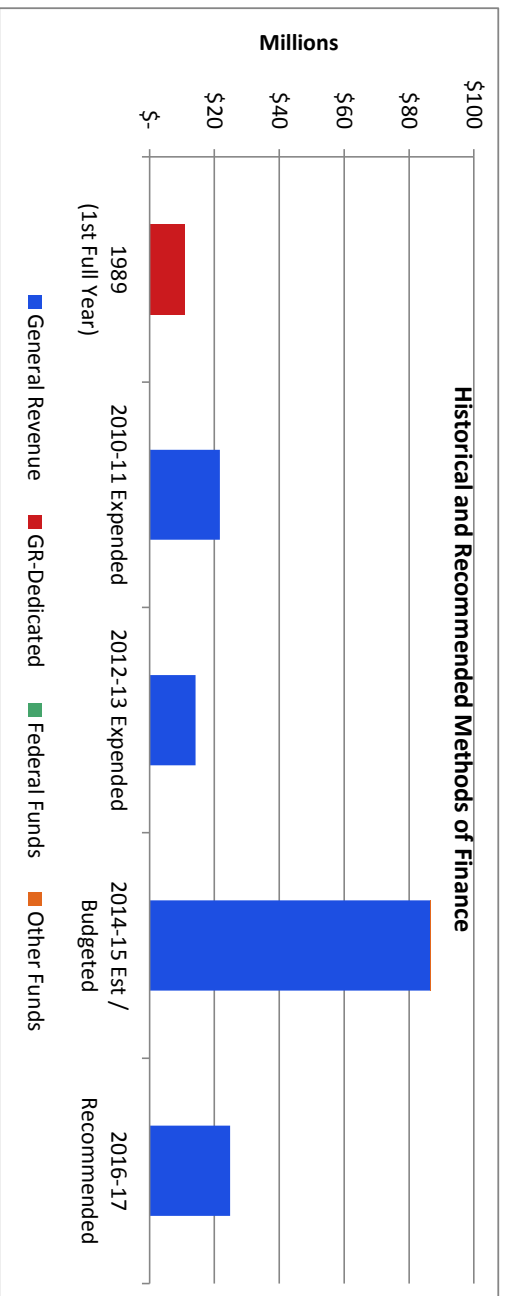
Agency Ranking **1**
 out of 33

Provides assistance to local and state entities for disaster-related expenses.

Legal Authority: Government Code, §418.073; §§401.061-65

Year Created	1989	Performance and/or	Moderate	Operational Issues No	Moderate	Outsourced Services	No
Authority	Moderate	Service Area	Statewide	State Service Category	Legal Services & Law Enforcement	Revenue Supported	No
Centrality	Moderate					Use of Dedicated Funds	NA

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Disaster Funding	\$ 86,881,552	0.0	\$ 24,800,000	0.0	100.0%
Indirect Administration	\$ 15,000	0.0	\$ 12,000	0.0	0.0%
TOTAL	\$ 86,896,552	0.0	\$ 24,812,000	0.0	100.0%



Program: Disaster Funding

Agency Ranking **1** out of 33

Summary of Recommendations

1 Funding for Disasters. Recommendations provide \$24.8 million in General Revenue to provide grants for certain disasters in the 2016-17 biennium.

\$24.8 million for the biennium provides funding at the historical level of disaster funding needs. Over the last six years, the average expenditure on disaster response by the Trusteed Programs was \$12.4 million per year.

The state has multiple other channels for funding disaster response, including emergency appropriations via Rider 3 in the Trusteed Programs bill pattern, appropriation transfers via Article IX, Sec 14.04, and budget execution via Government Code Ch. 317.

Awards Granted from Disaster Appropriations

Year	Grant Amount	Primary Disasters Funded
2009	\$ 17,739,138	Hurricane Dolly, and 2008 expenses for Hurricane Gus, Hurricane Ike and Tropical Storm Edouard
2010	\$ 16,624,576	Repairs of County Road 257 and Bridge City ISD
2011	\$ 10,622,728	Hurricane Alex and 2011 Wildfires
2012	\$ 7,523,330	2011 Wildfires
2013	\$ 13,242,524	2011 Wildfires and West Fertilizer Plant Explosion
2014	\$ 8,411,252	2011 Wildfires and West Fertilizer Plant Explosion

Source: Office of the Governor

2 Removal of one-time expenditures. Recommendations also include a decrease related to the expenditure of \$5.0 million from the one-time BP Oil Spill Response Grant, and a decrease of \$11.8 million in one-time funding from the Economic Stabilization Fund for disaster funding from House Bill 1025, 83rd Legislature, Regular Session.

Summary of Fiscal and Policy Issues

1 Emergency and Deficiency and Disaster Grants. Recommendations also include related revisions to Rider 2, Emergency and Deficiency and Disaster Grants in the 2014-15 General Appropriations Act.

In the summer of 2014, the Office of the Governor used the authority provided by Rider 2, Emergency and Deficiency and Disaster Grants, in the Trusteed Program's bill pattern and Government Code §§401.061-401.065, to move \$38.0 million in General Revenue from the Department of Public Safety's Emergency Radio Infrastructure Account No. 5153 to fund National Guard deployment to the Texas-Mexico border. Recommendations include separating Rider 2, Emergency and Deficiency and Disaster Grants, into two riders to provide clarification of the Governor's appropriation authority to address disasters, certain emergencies, and to provide agencies funding for deficiencies during the interim.

Revised Rider 2, Deficiency and Disaster Grants, would clarify the use, purpose, restrictions and authority for the funds that are appropriated to the Governor in new strategies A.1.1, Disaster Funding; and A.1.2, Agency Grant Assistance. Government Code, §403.075 limits agency deficiency grants up to \$200,000 for deficiencies that occur during the interim. The revised rider would clarify the authority to provide \$200,000 per agency, per event. The revised rider would also require the Governor to notify the Legislative Budget Board of deficiency grants provided to state agencies.

Revised Rider 3, Governor's Emergency Appropriation Authority, would define the authorization, process, and funds that can be transferred for emergency appropriations made by the Governor from funds appropriated to other agencies. The rider would appropriate amounts necessary from GR-Dedicated Funds and Other Funds to address emergencies governed by Government Code §§401.061-401.065. The rider also requires approval by the Legislative Budget Board.

Performance and/or Operational Issues

1 State Auditor's Office (Report Number 12-035, June 2012). The State Auditor's Office published *A Report on State Agency, University, and Community College District Compliance with the Public Funds Investment Act and Investment Reporting Requirements*, and found that three programs of the Trusteed Programs within the Office of the Governor (Texas Disaster Relief Fund, Texas Economic Development Corporation, and the Film Texas Fund) were substantially compliant with the Public Funds Investment Act.

2 Indirect Administration Amounts. The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. In the case of the Emergency and Deficiency Grants and Disaster Funding the indirect administration amounts reflect appropriations to the Office of the Governor, not the Trusteed Programs, for the staff who administer these funds when the need occurs.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 No funding alternative options were submitted on this program by the agency.	\$ -	\$ -	0.0

**Strategic Fiscal Review 2016-17
Trusteed Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Compilation of State-Funded Criminal Justice Division Programs

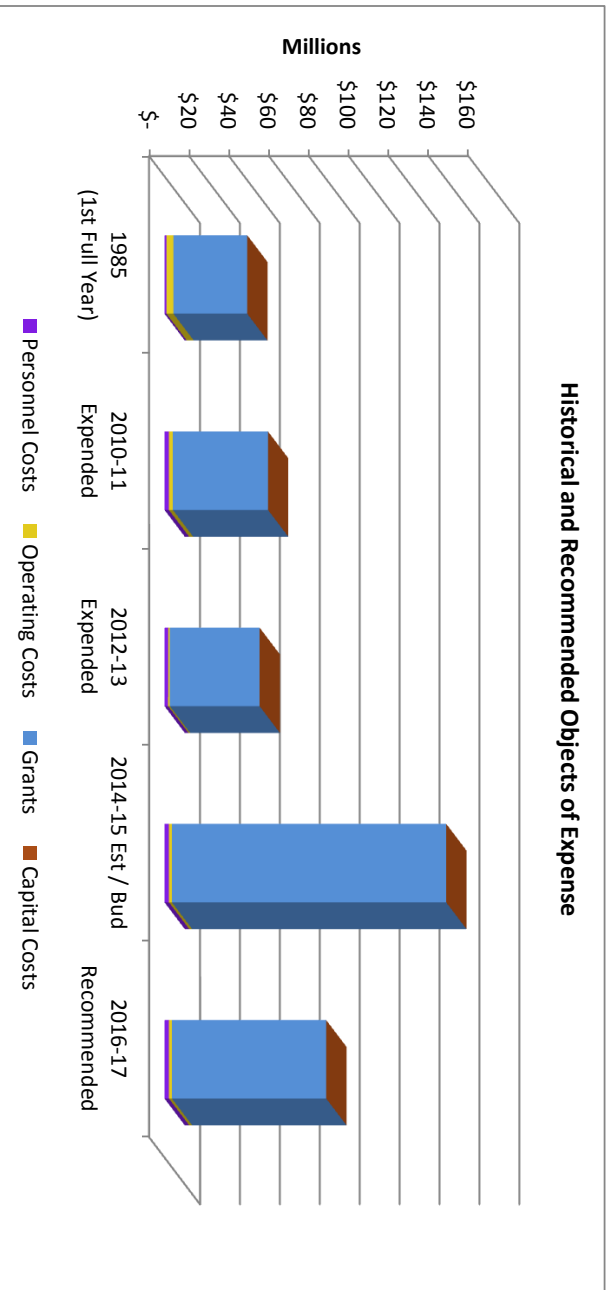
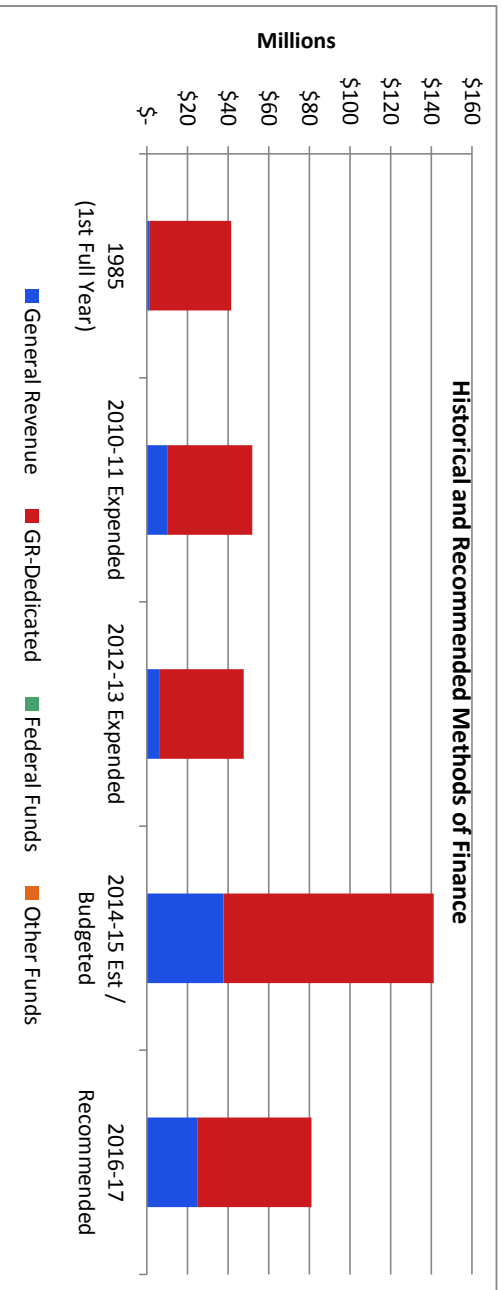
Agency Ranking
1
out of 33

This summary compiles data on the state funded grant programs administered by the Criminal Justice Division of the Trusteed Programs Within the Office of the Governor.

Legal Authority: Government Code §7772.0071; Code of Criminal Procedure §102.056

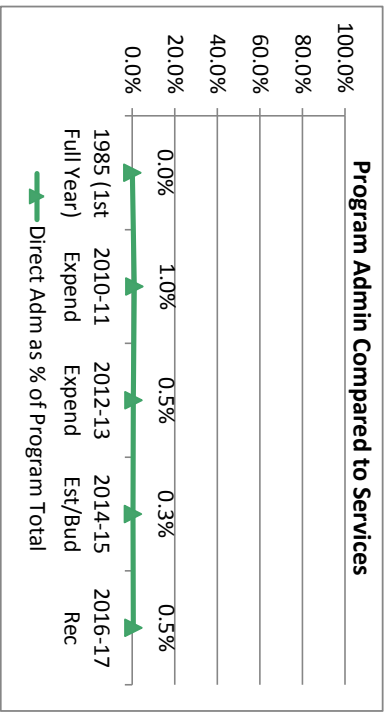
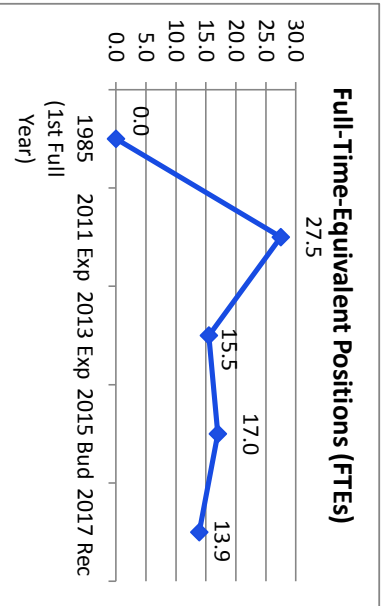
Year Created	1985-2013	Performance and/or Authority	Moderate	Operational Issues No		Outsourced Services Revenue Supported	No
Centrality	Moderate	Service Area	Statewide	State Service Category	Legal Services & Law Enforcement	Use of Dedicated Funds	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 399,180	2.8	\$ 407,760	3.0	0.5%
State Criminal Justice Planning	\$ 118,339,335	11.2	\$ 57,317,883	6.9	70.7%
Prostitution Prevention Planning	\$ 2,921,000	0.0	\$ 2,921,000	0.0	3.6%
Crime Stoppers Assistance	\$ 2,135,982	0.0	\$ 1,684,294	0.0	2.1%
Drug Courts	\$ 6,500,000	0.0	\$ 8,000,000	0.0	9.9%
Internet Crime Against Children Task	\$ 1,600,000	0.0	\$ 1,600,000	0.0	2.0%
County Essential Services	\$ 3,467,302	0.0	\$ 2,340,666	0.0	2.9%
Border Prosecutions	\$ 5,005,121	0.0	\$ 6,000,000	0.0	7.4%
Indirect Administration	\$ 849,864	3.0	\$ 787,788	4.0	1.0%
TOTAL	\$ 141,217,784	17.0	\$ 81,059,391	13.9	100.0%



Program: Compilation of State-Funded Criminal Justice Division Programs

Agency Ranking **1** out of 33



Summary of Recommendations

1 Border Prosecution Grants. Recommendations include \$6.0 million out of GR-Dedicated Fund 421 for Border Prosecution grants to replace funding previously provided by GR-Dedicated Fund 099.

2 Unexpended Balance Carry Forward. The 2014-15 estimated amounts include carried forward unexpended balances from fiscal year 2013. The GR-Dedicated Criminal Justice Planning Account No. 421 had approximately \$52.9 million of unexpended balances at the end of 2013, and an additional \$16.4 million in General Revenue carried forward in the Criminal Justice Division strategy of the Trusteed Programs.

Summary of Fiscal and Policy Issues

1 None

Performance and/or Operational Issues

1 Funding for Grants. Approximately 95 percent of the funding goes into grants directed to state and local criminal justice entities.

2 Indirect Administration Amounts. The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. Additionally in some programs, direct administration was allocated across programs to reflect the funding for management that may not appropriated directly in their LAR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 No funding alternative options were submitted on these programs by the agency.	\$ -	\$ -	0.0

**Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Compilation of Federally-Funded Criminal Justice Division Programs

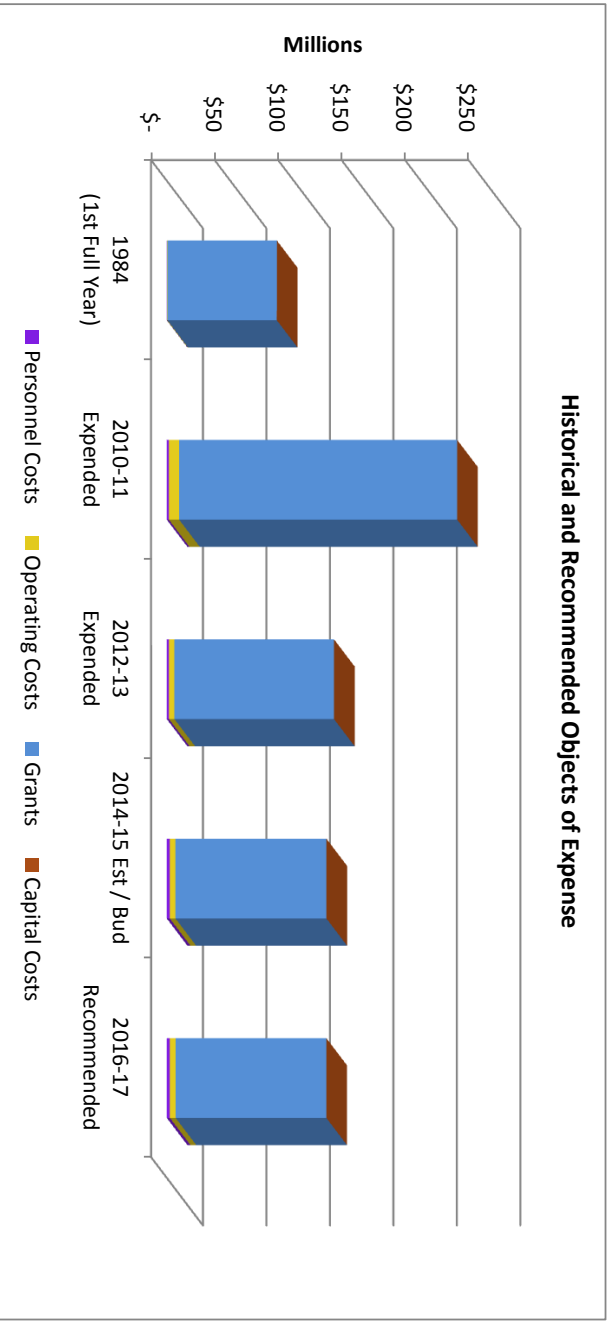
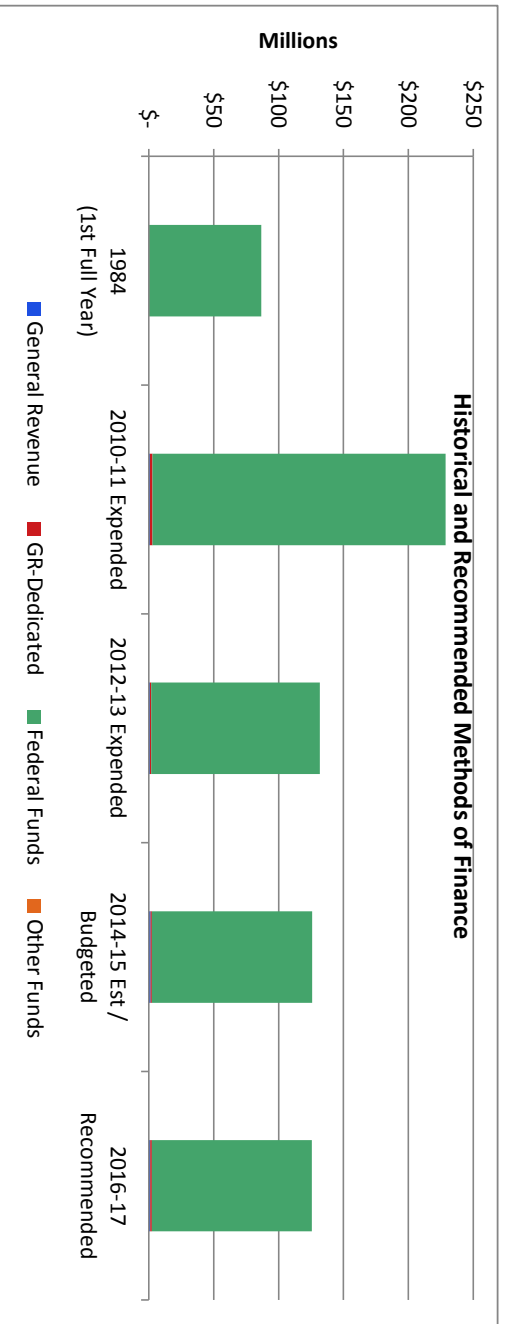
Agency Ranking	1 out of 33
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This summary compiles data on the federally funded grant programs administered by the Criminal Justice Division of the Trusteed Programs Within the Office of the Governor.

Legal Authority: Government Code §772.0071; Code of Criminal Procedure §102.056; Victims of Crime Act of 1984

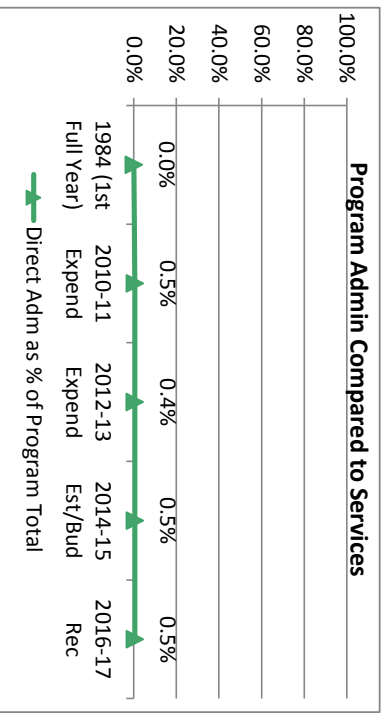
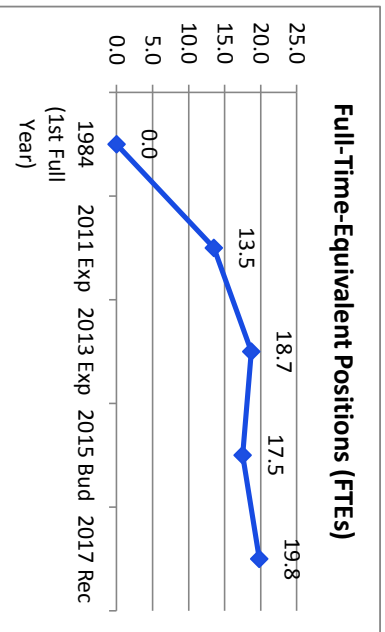
Year Created	1984-2009	Performance and/or Operational Issues	No	Outsourced Services Revenue Supported	No
Authority	Moderate			Use of Dedicated Funds	Compliant
Centrality	Weak				
Service Area	Statewide	State Service Category	Legal Services & Law Enforcement		

Major Activities	2014-15	2015	2016-17	2017	% of Total
	Estimated	FTEs	Recommended	FTEs	
Direct Administration	\$ 598,770	4.5	\$ 611,640	4.5	0.5%
Bullet Proof Vest Partnerships	\$ 35,867	0.0	\$ 60,000	0.0	0.0%
Federal Justice Assistance	\$ 30,187,992	2.0	\$ 30,857,492	2.0	24.5%
Forensic Science	\$ 1,173,952	0.0	\$ 1,100,000	0.0	0.9%
Juvenile Accountability	\$ 3,709,619	0.0	\$ 222,508	0.0	0.2%
Juvenile Justice Delinquency Prevention	\$ 5,621,856	3.0	\$ 7,088,358	3.0	5.6%
Residential Substance Abuse Treatment	\$ 2,054,929	0.0	\$ 2,180,000	0.0	1.7%
Sexual Assault Services and Prevention	\$ 1,117,651	0.0	\$ 1,000,000	0.0	0.8%
Title V Incentive Grants for Local	\$ 107,500	0.0	\$ -	0.0	0.0%
Victims of Crime Act	\$ 62,044,098	2.0	\$ 63,350,052	2.0	50.4%
Violence Against Women Act	\$ 17,856,907	1.0	\$ 18,046,250	1.0	14.4%
Indirect Administration	\$ 1,274,796	5.0	\$ 1,181,682	7.3	0.9%
TOTAL	\$ 125,783,937	17.5	\$ 125,697,982	19.8	100.0%



Program: Compilation of Federally-Funded Criminal Justice Division Programs

Agency Ranking **1** out of 33



Summary of Recommendations

1 Federal Criminal Justice Funding. Recommendations reflect the agency's estimate for criminal justice related federal grant awards.

Summary of Fiscal and Policy Issues

1 Possible Reduction in Federal Criminal Justice Funding. The Prison Rape Elimination Act of 2003 (PREA) requires that states adopt national standards to eliminate sexual abuse in confinement facilities by May 15, 2014. Some of the PREA standards include requirements for the placement of juveniles in adult facilities, staff training on topics related to preventing, detecting, and responding to sexual abuse, and the screening of inmates during intake for risk of being sexually abused by other inmates or sexually abusive toward other inmates.

Beginning in federal fiscal year 2014, states are subject to a penalty of a percentage of Department of Justice (DOJ) grant funds intended for prison purposes for noncompliance. For federal fiscal year 2014, this includes 5.0 percent of the state share of the Edward Byrne Memorial Justice Assistance Grants, 5.0 percent of the state share of the Juvenile Justice and Delinquency Prevention's Title II Part B Formula Grants, and 4.75 percent of the Services, Training, Officers, and Prosecutors (STOP) Violence Against Women Formula Grants.

In March 2014, Governor Perry communicated to U.S. Attorney General Holder that Texas will not comply with PREA. As a result, Texas will likely lose a percentage of DOJ grant funds intended for prison purposes beginning in state fiscal year 2015. The impact to amount of criminal justice grants awarded to Texas is unknown since the award amounts have not been determined. Based on the agency's estimates for awards in the 2016-17 biennium, a 5.0 percent penalty would reduce the available grant funds by \$2.78 million for the biennium.

Performance and/or Operational Issues

1 Funding for Grants. This program summary provides a compilation of federally funded programs that are administered by the Trusteed Programs. Approximately 95 percent of the funding goes into grants directed to state and local criminal justice entities.

2 Mandatory Federal Program. The Victims of Crime Act is the only federally funded program administered by the Trusteed Programs Within the Office of the Governor that is a mandatory federal program.

3 Indirect Administration Amounts. The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. Additionally in some programs, direct administration was allocated across programs to reflect the funding for management that may not be appropriated directly in their LAR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 No funding alternative options were submitted on these programs by the agency.	\$ -	\$ -	0.0

**Strategic Fiscal Review 2016-17
Trusteed Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Committee on People with Disabilities

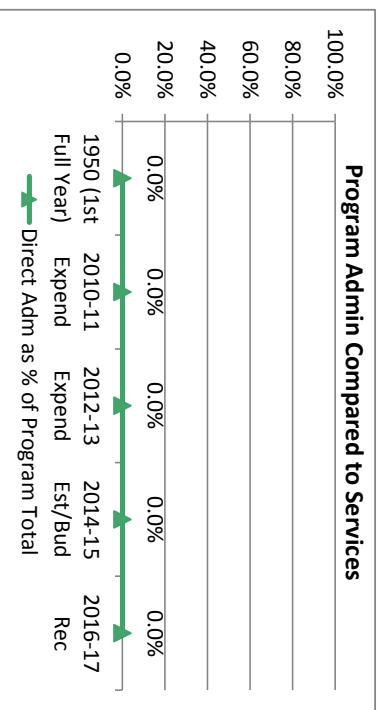
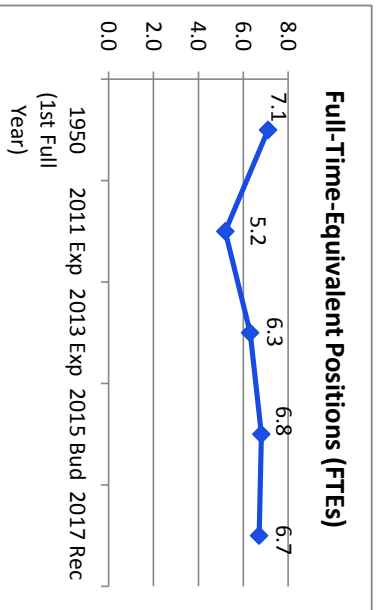
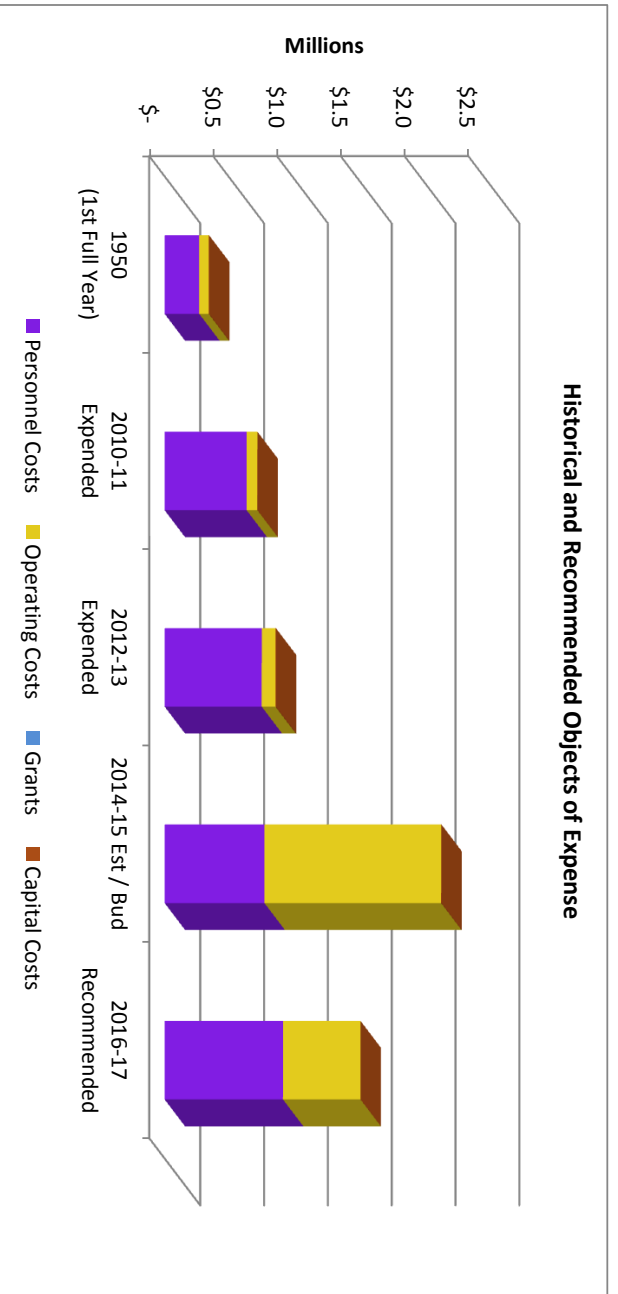
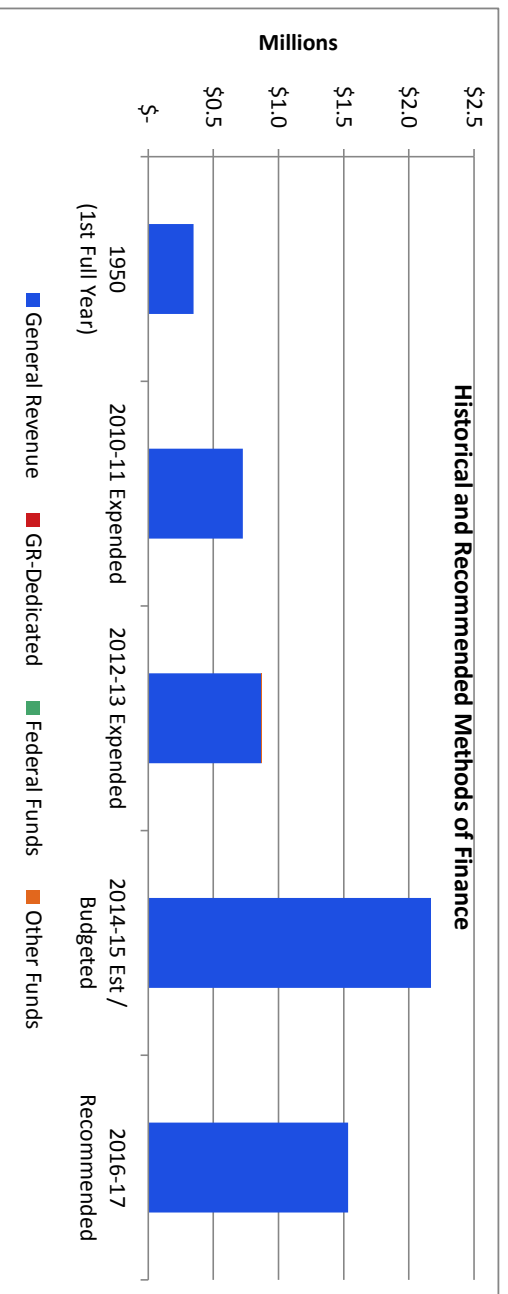
Agency Ranking **1**
out of 33

The Committee on People with Disabilities provides information and education on the abilities, rights, problems and needs of persons with disabilities, including the federal Americans with Disabilities Act (ADA).

Legal Authority: Human Resources Code, Ch. 115

Year Created	1950	Performance and/or Authority	Strong	Operational Issues No	No	Outsourced Services	No
Centrality	Strong	Service Area	Statewide	State Service Category	State Government Administration & Support	Revenue Supported	No
						Use of Dedicated Funds	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Committee on People with Disabilities	\$ 1,956,903	5.1	\$ 1,205,482	5.0	78.5%
Disability Committee Activities	\$ 50,000	0.0	\$ 50,000	0.0	3.3%
Indirect Administration	\$ 162,380	1.7	\$ 279,684	1.7	18.2%
TOTAL	\$ 2,169,283	6.8	\$ 1,535,166	6.7	100.0%



Program: Committee on People with Disabilities

Summary of Recommendations

1 Unexpended Balance Carry Forward. Recommendations include a direct appropriation at 2014-15 spending levels with no carry forward authority of unexpended balances across biennia.

Summary of Fiscal and Policy Issues

1 None

Performance and/or Operational Issues

1 Sunset Review. The Committee on People with Disabilities was reviewed by the Sunset Commission. The Sunset Commission approved staff recommendations to continue the agency for 12 years in December 2014. Sunset staff budget related recommendations include:

- a) Direct the Governor’s Office and the committee to work together to re-evaluate the amount of funding necessary for the committee to carry out its functions, and to ensure its legislative appropriations request and budget reflect the actual fiscal needs of the committee.
 - b) The Senate Finance and House Appropriations Committees should consider using the committee’s large unexpended balance as a method of finance for a portion of the committee’s appropriations for the 2016–17 biennium.
- 2 Indirect Administration Amounts.** The Truusted Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017
	GR-Related	All Funds	FTEs
1 No funding alternative options were submitted on this program by the agency.	\$ -	\$ -	0.0

**Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Texas Film Commission

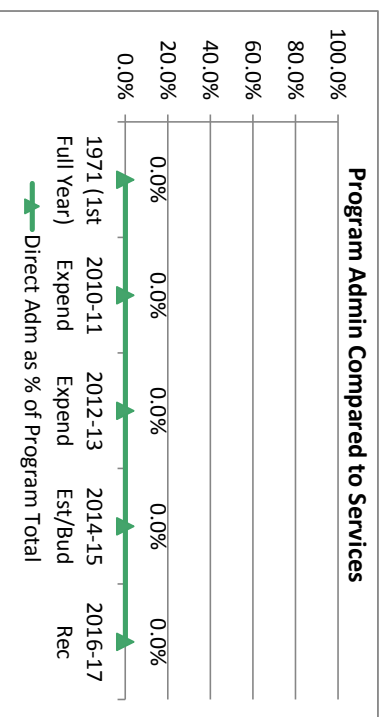
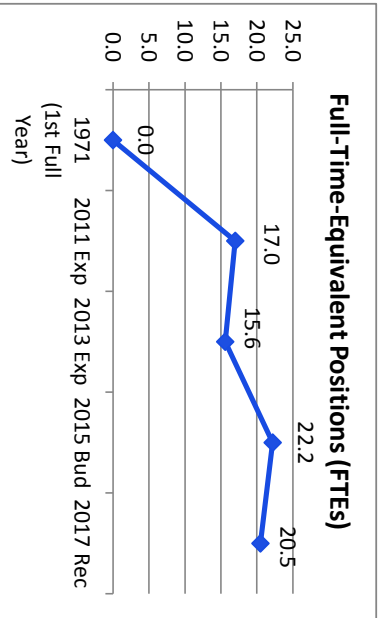
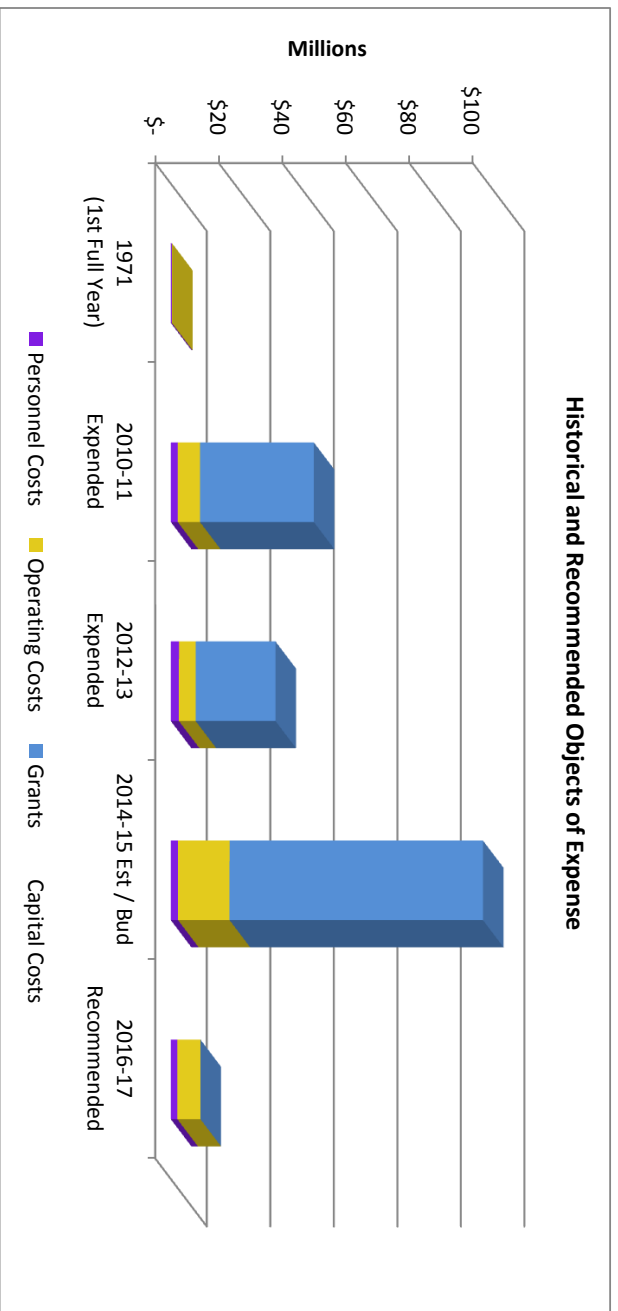
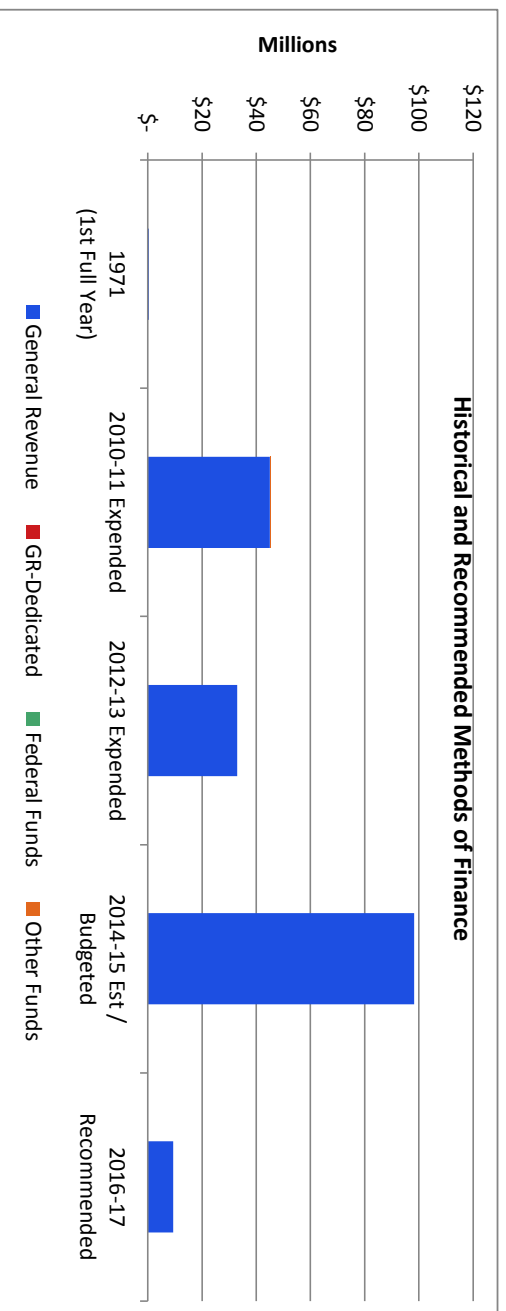
Agency Ranking
1
out of 33

Provides incentives to qualifying production companies that produce movies, commercials, or video games in the state.

Legal Authority: Government Code, Ch. 485

Year Created	1971	Performance and/or Authority	Strong	Operational Issues	No	Outsourced Services Revenue Supported	No
Centrality	Moderate	Service Area	Statewide	State Service Category	Business & Workforce Development & Regulation	Use of Dedicated Funds	NA

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Texas Film Commission	\$ 684,791	6.0	\$ 725,000	6.0	7.8%
Texas Moving Image Archive Program	\$ 500,000	0.0	\$ 500,000	0.0	5.4%
Texas Moving Image Industry Incentive	\$ 95,994,060	8.5	\$ 7,214,473	9.0	77.2%
Indirect Administration	\$ 1,130,034	7.7	\$ 904,688	5.5	9.7%
TOTAL	\$ 98,308,885	22.2	\$ 9,344,161	20.5	100.0%



Program: Texas Film Commission

Agency Ranking **1** out of 33

Summary of Recommendations

1 Removal of Contingency Funding. Recommendations include a decrease of \$63.1 million due to removal of the contingency for additional collection of Hotel Occupancy Tax and a decrease of \$22.0 million in contingency funds for film incentives.

Summary of Fiscal and Policy Issues

1 History of Program Awards. The film program was created in 1971, however the 80th Legislature created the incentives program in 2007, and the first awards were made in 2009.

Texas Moving Image Industry Incentive History of Project Awards

Production Category	Total Grants Awarded	In-state Spending by Production	Grant Spending by Texas Film Commission
Film	75	\$229,116,829	\$36,489,327
Television	76	\$298,874,029	\$60,968,253
Commercials	403	\$82,398,795	\$5,367,634
Video Games	133	\$270,849,583	\$23,978,492
Total	687	\$881,239,236	\$126,803,706

Source: Texas Film Commission and the Office of the Governor

Performance and/or Operational Issues

1 State Auditor's Office (Report Number 12-035, June 2012). The State Auditor's Office published *A Report on State Agency, University, and Community College District Compliance with the Public Funds Investment Act and Investment Reporting Requirements*, and found that three programs of the Trusteed Programs within the Office of the Governor (Texas Disaster Relief Fund, Texas Economic Development Corporation, and the Film Texas Fund) were substantially compliant with the Public Funds Investment Act.

2 Indirect Administration Amounts. The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations

1 Increase Funding. The agency provided a funding alternative option to allow the program to serve all eligible applicants to the incentive program. The agency provided analysis that this would grow the Texas workforce, stimulate tourism and business interest, and increase opportunities outside traditional production centers of Austin and Dallas. This would require an increase of funding of approximately \$106.4 million in the 2016-17 biennium and 4.0 new FTEs to administer additional awards.

2 Decrease Funding. The agency provided a funding alternative option of the effect of reducing funding for the program by 20 percent or approximately \$18.7 million in the 2016-17 biennium. The agency notes that this reduction would make the program less competitive. Specific results of a decrease include: fewer productions overall and fewer regions of the state being utilized, negative perception by the industry, and a negative impact on the tourism industry.

Alternative funding for this program was not included in Recommendations.

	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 Reduction of 20 percent to agency-requested 2016-17 program budget of \$93,552,296.	\$ (18,710,459)	\$ -	0.0
2 Increase to serve all eligible applicants.	\$ 106,447,704	\$ -	4.0

Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Texas Business Development

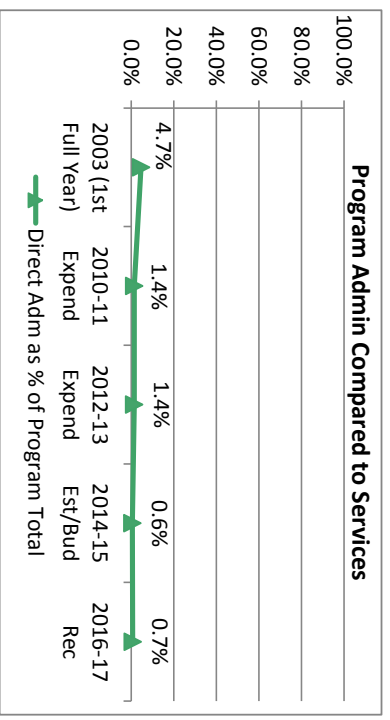
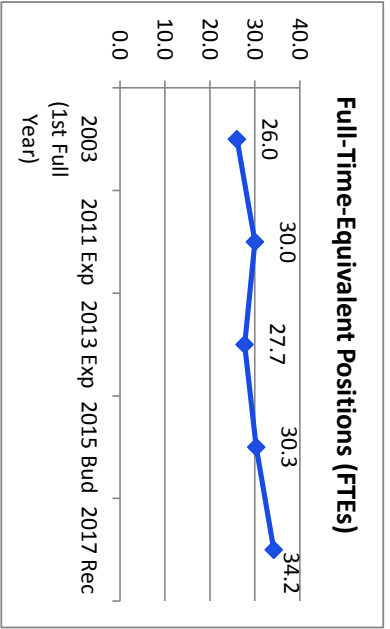
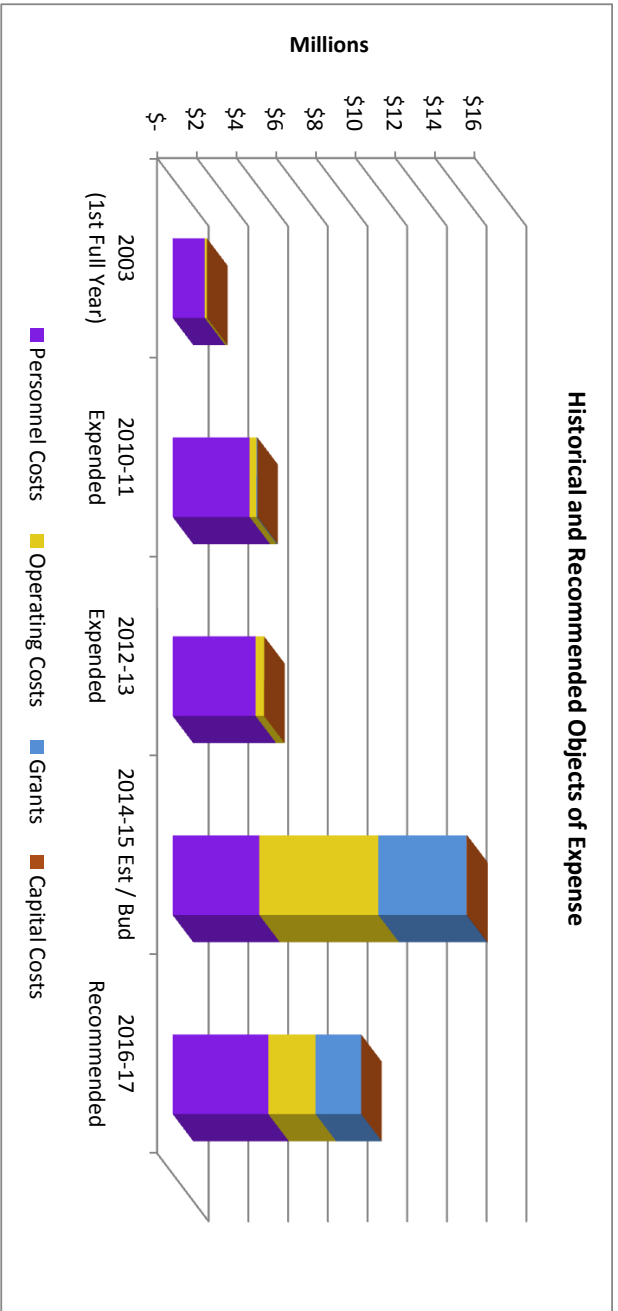
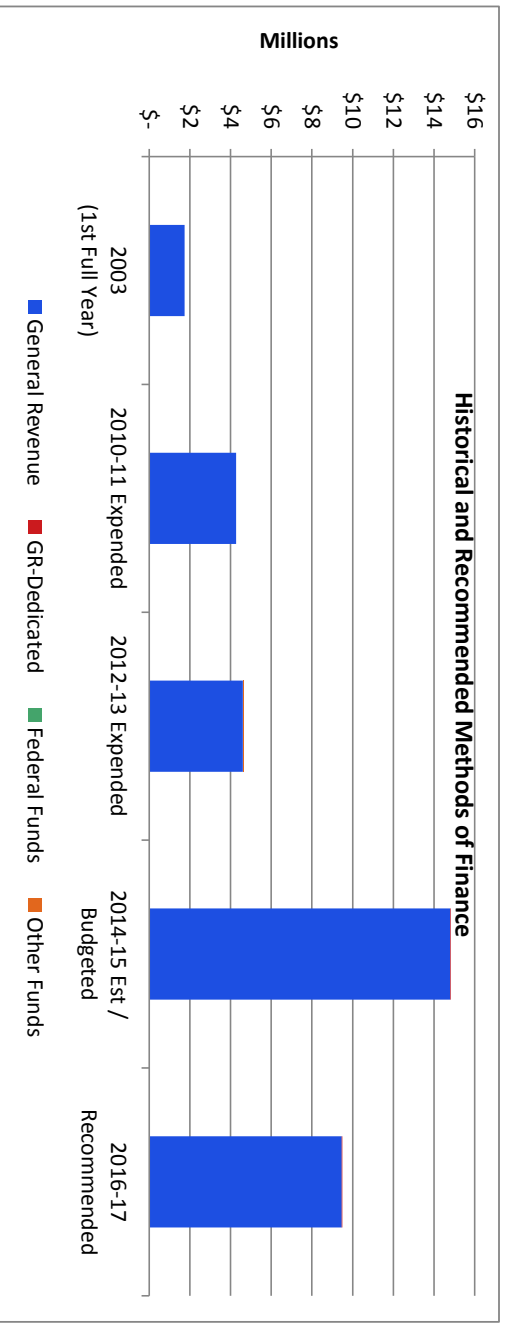
Agency Ranking **1**
out of 33

Provides for domestic and international business recruitment and corporate expansion efforts for the state by marketing Texas as a premier business location.

Legal Authority: Government Code, Ch. 481

Year Created	2003	Performance and/or Authority	Strong	Operational Issues	No	Outsourced Services Revenue Supported	No
Centrality	Moderate	Service Area	Statewide	State Service Category	Business & Workforce Development & Regulation	Use of Dedicated Funds	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 82,252	0.4	\$ 70,000	0.4	0.7%
Texas Business Development	\$ 13,488,035	26.4	\$ 8,070,314	31.0	85.0%
The State of Texas Office, Mexico City	\$ 754,420	0.0	\$ 800,000	0.0	8.4%
Indirect Administration	\$ 514,092	3.5	\$ 557,132	2.8	5.9%
TOTAL	\$ 14,838,799	30.3	\$ 9,497,446	34.2	100.0%



Program: Texas Business Development

Summary of Recommendations

1 Funding for 2016-17. Recommendations include funding at the agency's requested level.

Summary of Fiscal and Policy Issues

1 None

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations

1 **Increase Funding.** The agency provided a funding alternative option to increase coordination and speed of the incentive application and approval process. The agency requested \$250,000 per fiscal year and 5.0 FTEs to focus specifically on due diligence and research for incentive applications, increase the level of interaction with domestic and international businesses looking to relocate or invest, and provide increased assistance to Texas businesses looking for export and import opportunities.

2 **Decrease Funding.** The agency provided a funding alternative option to decrease the program's budget by 20 percent or \$1.8 million. The agency notes the staff for this program is already at minimal levels and a reduction of this size would slow response times to constituent requests. The agency submitted that the decrease would cause Texas to become less competitive in a market where other states already have an advantage over Texas in their ability to move quickly. Finally, according to the agency, compliance and oversight of current contracts would be affected, eroding safeguards for funding from the taxpayer.

Alternative funding for this program was not included in Recommendations.

	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 Reduction of 20 percent to agency-requested 2016-17 program budget of \$8,870,314.	\$ (1,774,063)	\$ -	0.0
2 Increase resources to hire staff to speed incentive application and approval process	\$ 500,000	\$ -	5.0

Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Military Preparedness Commission

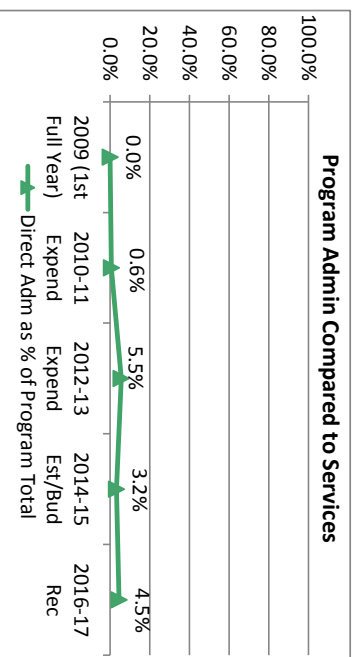
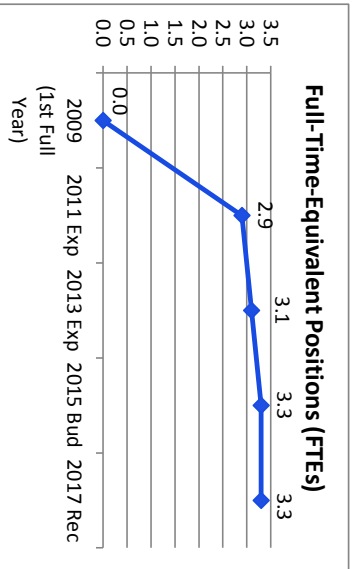
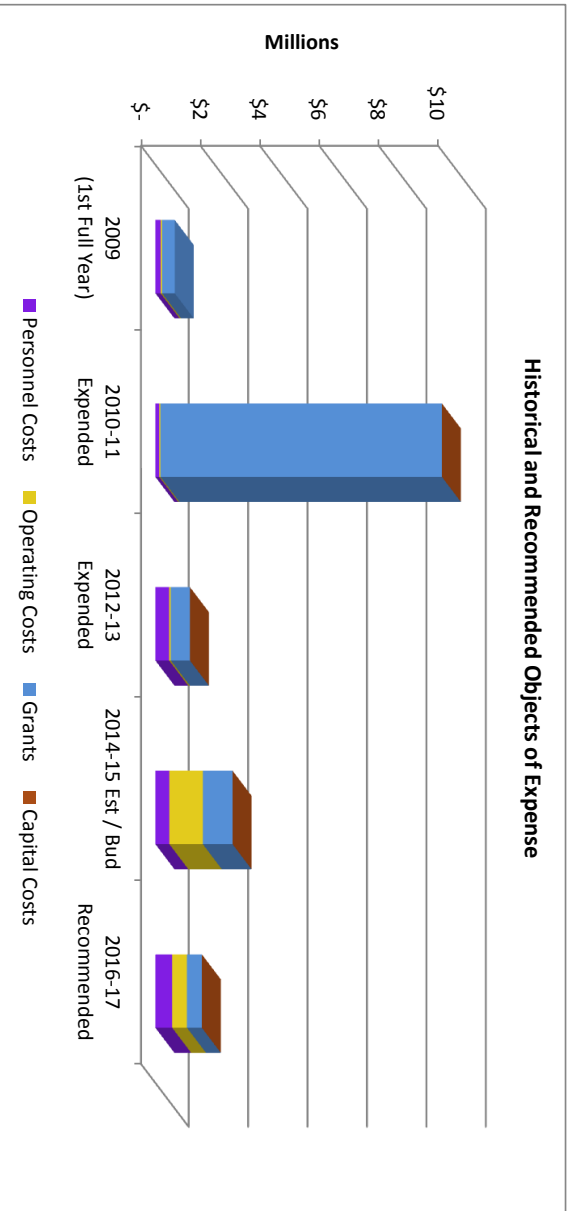
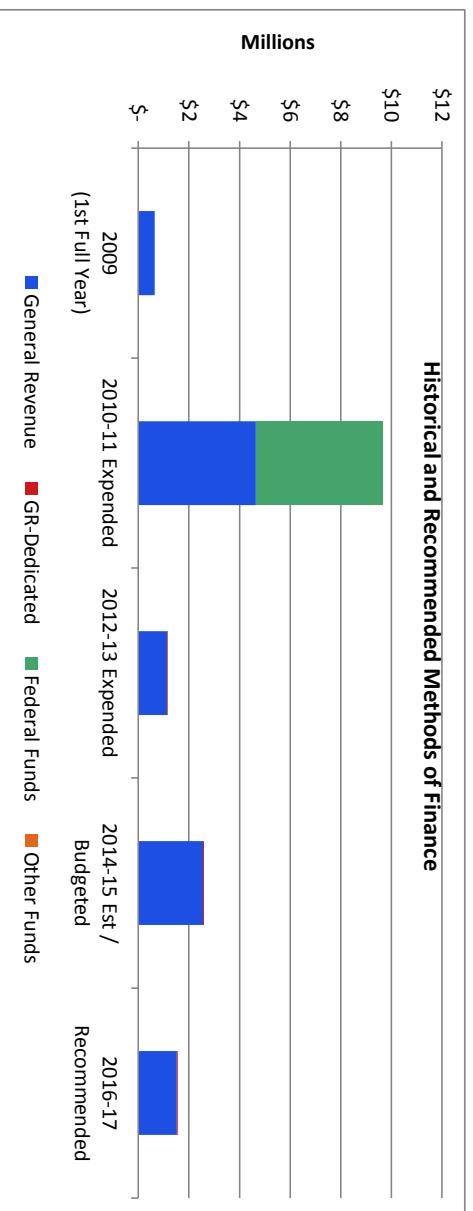
Agency Ranking **1**
out of 33

Provides grants and loans to defense communities, military facilities and defense related business.

Legal Authority: Government Code, Ch. 436

Year Created	2009	Performance and/or Authority	Strong	Operational Issues No		Outsourced Services Revenue Supported	No
Centrality	Strong	Service Area	Statewide	State Service Category	Business & Workforce Development & Regulation	Use of Dedicated Funds	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 82,252	0.4	\$ 70,000	0.4	4.5%
Military Preparedness Commission	\$ 1,384,569	2.0	\$ 774,175	2.0	49.5%
Texas Military Preparedness Commission -	\$ 56,000	0.0	\$ 70,000	0.0	4.5%
Defense Economic Adjustment Assurances	\$ 1,000,000	0.0	\$ 500,000	0.0	32.0%
Texas Military Value Revolving Loan Fund	\$ -	0.0	\$ -	0.0	0.0%
Indirect Administration	\$ 74,398	0.9	\$ 149,310	0.9	9.5%
TOTAL	\$ 3,970,961	3.3	\$ 1,563,485	3.3	100.0%



Program: Military Preparedness Commission

Agency Ranking **1** out of 33

Summary of Recommendations

1 Texas Military Revolving Loan Program Bond Issuance. Recommendations include Rider 11, Texas Military Revolving Loan Program, relating to the authority to issue \$200.4 million in General Obligation Bond Proceeds for the Texas Military Revolving Loan program (Article III, Sec. 49(n) of the Texas Constitution) for loans to defense communities for economic development projects at the Texas Military Preparedness Commission. The Commission does not anticipate issuing any of the remaining \$200.4 million in bond authority during the 2014-15 or 2016-17 biennia.

Debt service related to these bonds is paid out of GR-Dedicated Texas Military Revolving Loan Account No. 5114, which is reimbursed from loan repayments and interest earnings and is not used to certify the appropriations bill.

Recommendations for the Texas Public Finance Authority continue estimated appropriation authority for debt service out of GR-Dedicated Texas Military Value Revolving Loan Account No. 5114 for the remaining general obligation bond authority for the Texas Military Value Revolving Loan program.

Summary of Fiscal and Policy Issues

1 Base Realignment and Closure Funding. Recommendations do not include the Legislative Appropriations Request (LAR) exceptional item for \$30.0 million in General Revenue for the Texas Military Preparedness Commission to provide grants to communities with military installations. The agency indicated that this funding would prevent Texas from being negatively impacted by a new Base Realignment and Closure (BRAC) by the Department of Defense. The grants would fund infrastructure improvements to raise installations' BRAC scores. Currently there are 15 military installations across Texas that employ over 250,000 uniformed and civilian personnel.

No announcement of a BRAC has been made by the Federal Government. The available general obligation bond authority of \$200.4 million for the Military Value Revolving Loan program could be used to provide infrastructure improvement loans to military communities anticipated to be affected by a BRAC.

Performance and/or Operational Issues

1 Indirect Administration Amounts. The Trustead Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. Additionally in some programs, direct administration was allocated across programs to reflect the funding for management that may not appropriated directly in their LAR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 No funding alternative options were submitted on this program by the agency.	\$ -	\$ -	0.0

Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Texas Enterprise Fund

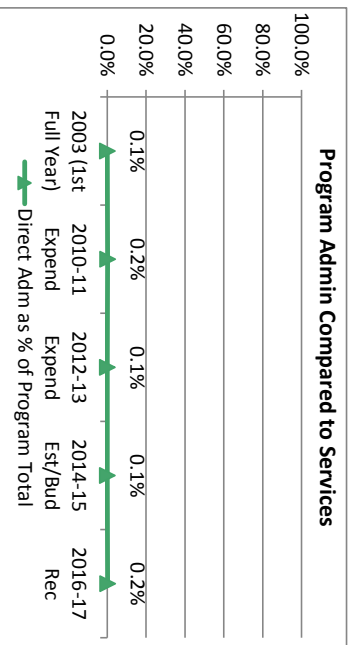
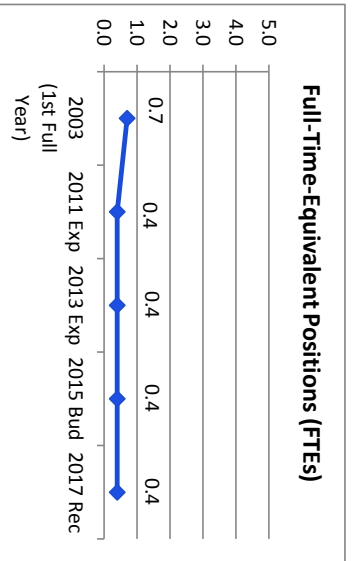
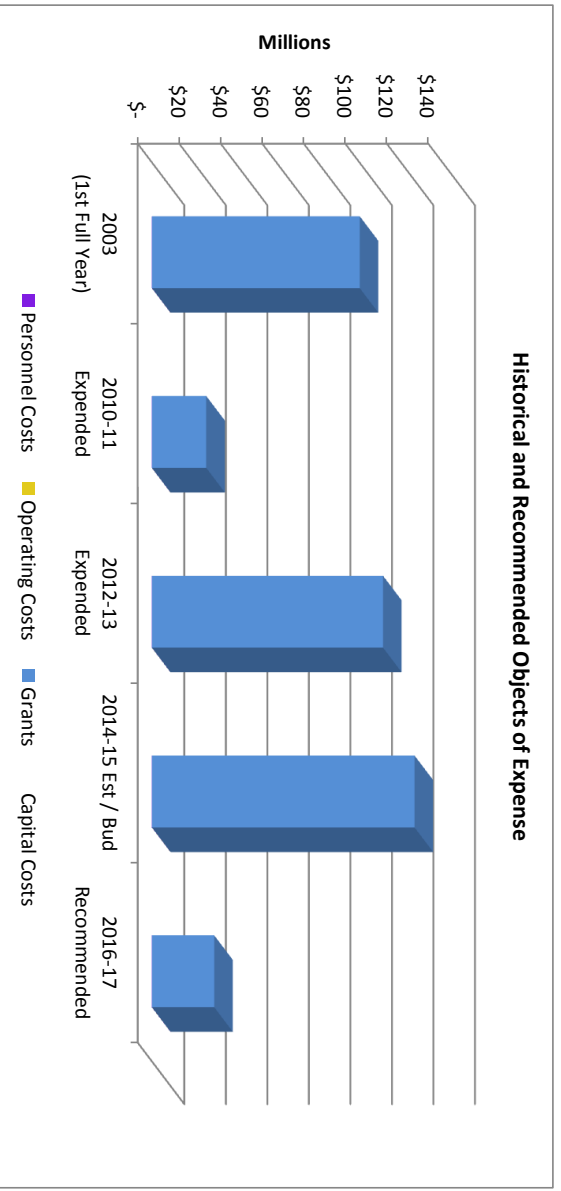
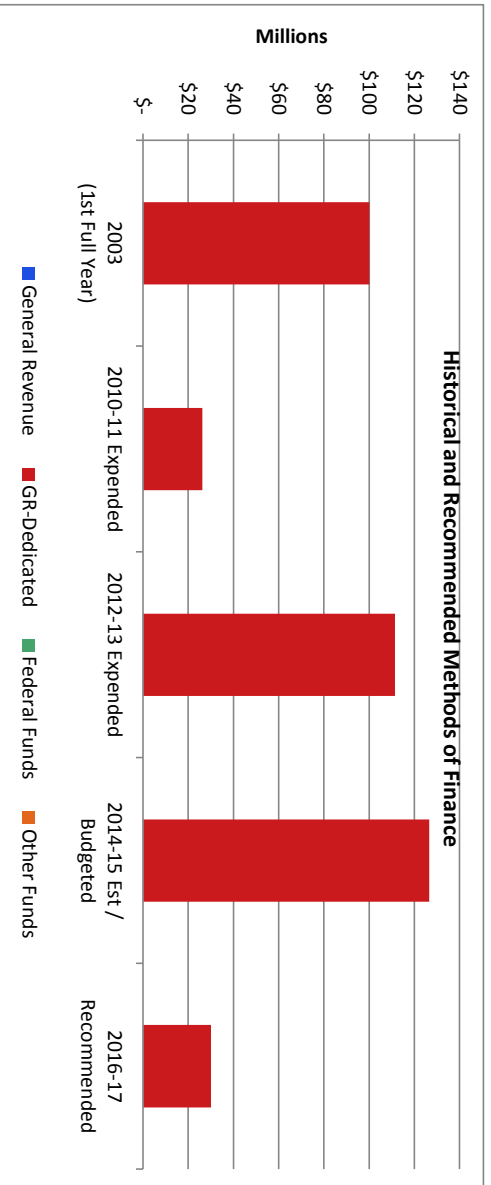
Agency Ranking **1**
out of 33

Provides incentives to attract new businesses to the state or assist with the substantial expansion of an existing business as part of competitive recruitment. The fund is used to provide economic development grants for infrastructure development, community development, and job creation.

Legal Authority: Government Code, §481.078

Year Created	2003	Performance and/or Authority	Strong	Operational Issues	Yes	Outsourced Services Revenue Supported	No
Centrality	Moderate	Service Area	Statewide	State Service Category	Business & Workforce Development & Regulation	Use of Dedicated Funds	Yes
						Compliant	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 82,252	0.4	\$ 70,000	0.4	0.2%
Texas Enterprise Fund	\$ 126,516,728	0.0	\$ 30,000,000	0.0	99.8%
TOTAL	\$ 126,598,980	0.4	\$ 30,070,000	0.4	100.0%



Program: Texas Enterprise Fund

Agency Ranking **1** out of 33

Summary of Recommendations

1 Funding from Available Unexpended Balances. The agency expects to obligate or spend most of the 2014-15 amounts, noted on the previous page in the Major Activities table, on Texas Enterprise Fund incentive grants.

Recommendations provide an appropriation of unexpended balances, not to exceed \$30.0 million, for the Texas Enterprise Fund Account No. 5107 for grants at the end of fiscal year 2015; the actual balance will depend on expenditures and amounts encumbered for awards in FY 2015. Rider 22, Contingency for Texas Enterprise Fund makes the funding contingent upon the enactment of reform legislation to improve the performance, transparency, and accountability of the Texas Enterprise Fund. A technical adjustment will be made to correct the language in the riders to refer to the appropriated unexpended balances as "not to exceed" amounts.

Summary of Fiscal and Policy Issues

1 History of Texas Enterprise Fund Awards. The table below provides detail of the awards granted by the Texas Enterprise Fund.

Enterprise Fund Awards				
Biennium	Total Awards Granted	Direct Jobs	Capital Investment	Total Amount Awarded
2010-11	34	7,423	\$640,491,164	\$38,879,000
2012-13	25	11,822	\$6,991,605,000	\$73,335,500
2014-15*	15	9,553	\$2,667,191,552	\$82,150,000
TOTAL	74	28,798	\$10,299,287,716	\$194,364,500

* As of August 31, 2014
Source: TEF Award Listing - Governor's Office

Performance and/or Operational Issues

1 State Auditor's Office (Report Number 15-003, September 2014). The State Auditor's Office recently published *The Texas Enterprise Fund at the Office of the Governor*. The audit identified control structure weaknesses in the program that impaired the Office of the Governor's ability to consistently administer the awarding, monitor and report on awards, and perform award agreement termination for the Texas Enterprise Fund. The key recommendations of the audit included:

- a) Strengthen the Office of the Governor's control structure for the Texas Enterprise Fund;
- b) Provide decision makers with complete and accurate information related to potential Texas Enterprise Fund awards;
- c) Include key provisions in Texas Enterprise Fund award agreements, enabling its ability to effectively monitor recipients' compliance with the requirements in those agreements and protect the State's interests;
- d) Increase monitoring of Texas Enterprise Fund award recipients, and its award agreement termination processes should comply with requirements; and
- e) Comply with statutory requirements for its reports on the Texas Enterprise Fund.

2 Indirect Administration Amounts. The Trusteed Programs Within the Office of the Governor included direct administration costs across all programs in their SFR submission. For the Texas Enterprise Fund, there are no appropriations to the program for administration. The direct administration amounts reflect appropriations to Strategy C.1.1, Economic Development for the staff who administer these funds.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations	2017 FTEs
	GR-Related	All Funds
1 No funding alternative options were submitted on this program by the agency.	\$ -	\$ -
		0.0

**Strategic Fiscal Review 2016-17
Trusted Programs Within the Office of the Governor (300)**

Schedule 5: Program Summary

All 2016-17 funding recommendations reflect HB 1 as Introduced.

Program: Emerging Technology Fund

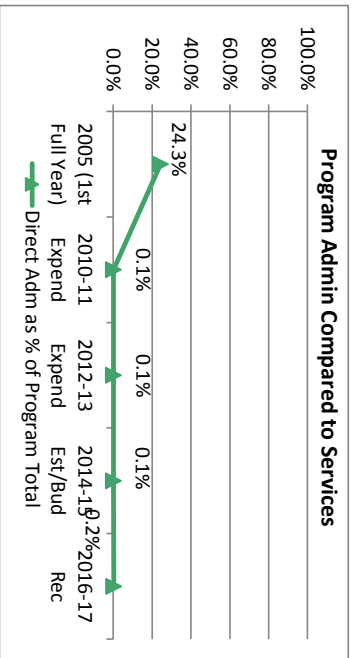
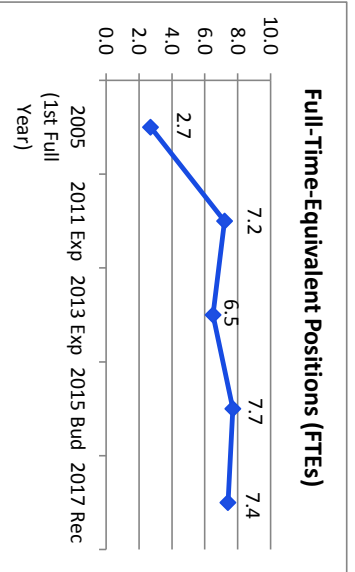
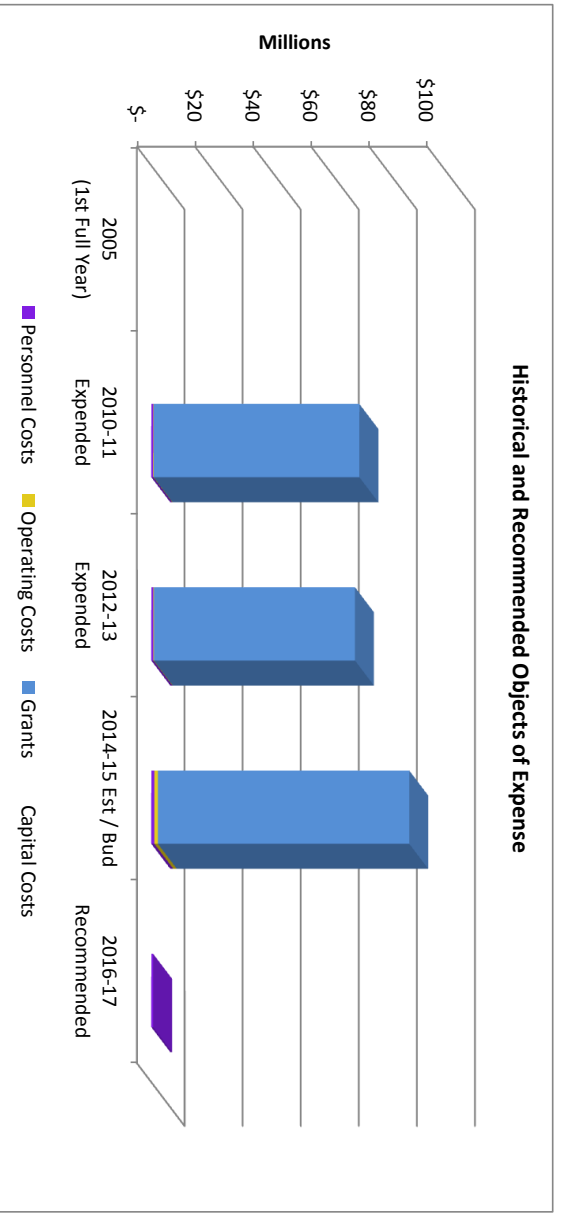
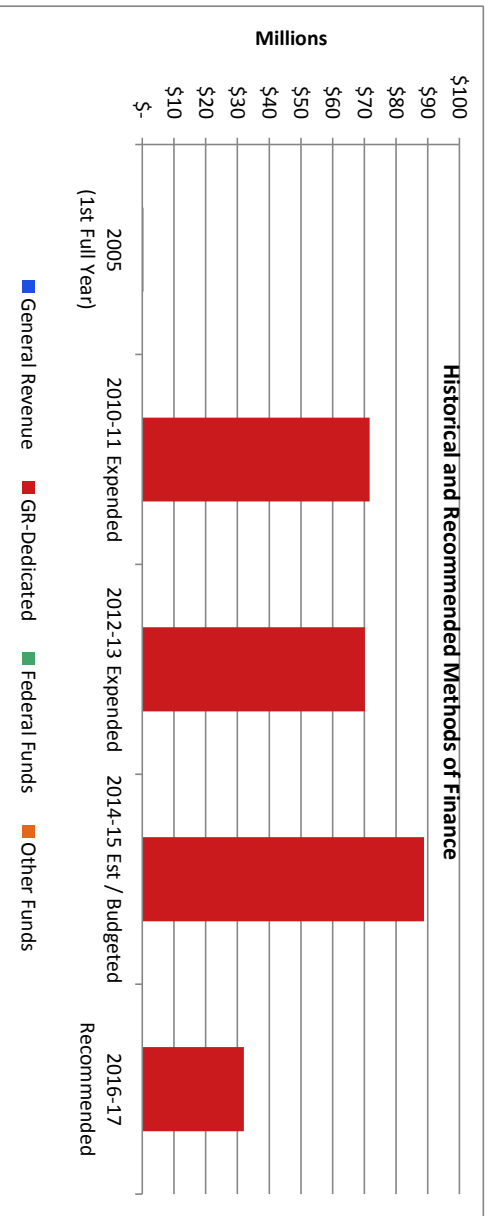
Agency Ranking
1
out of 33

Provides funding to promote commercial research and development in emerging technological industries such as semiconductor, nanotechnology, biotechnology, or other technologies that could lead to medical or scientific breakthroughs.

Legal Authority: Government Code, Ch. 490

Year Created	2005	Performance and/or	Operational Issues	No	Outsourced Services	No
Authority	Strong	Operational Issues	No	Revenue Supported	Yes	
Centrality	Strong	State Service Category	Business & Workforce Development & Regulation	Use of Dedicated Funds	Compliant	
Service Area	Statewide					

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 82,252	0.4	\$ 70,000	0.4	0.2%
Emerging Technology Fund	\$ 88,497,993	6.3	\$ 31,799,900	6.0	99.2%
Indirect Administration	\$ 249,792	1.0	\$ 200,100	1.0	0.6%
TOTAL	\$ 88,830,037	7.7	\$ 32,070,000	7.4	100.0%



Program: Emerging Technology Fund

Agency Ranking **1** out of 33

Summary of Recommendations and Fiscal and Policy Issues

1 Funding from Available Unexpended Balances. The agency expects to obligate or spend all of the 2014-15 amounts, noted on the previous page in the Major Activities table, on Emerging Technology Fund incentive grants.

Recommendations provide an appropriation of unexpended balances, not to exceed \$32.0 million, for the Emerging Technology Fund Account No. 5124 for grants at the end of fiscal year 2015; the actual balance will depend on expenditures and amounts encumbered for awards in FY 2015. Recommendations do not include the agency's request for approximately \$50.0 million in General Revenue to be transferred to GR-Dedicated Emerging Technology Account No. 5124. Rider 23, Contingency for Emerging Technology Fund makes the funding contingent upon the enactment of reform legislation to improve the performance, transparency, and accountability of the Emerging Technology Fund. A technical adjustment will be made to correct the language in the riders to refer to the appropriated unexpended balances as "not to exceed" amounts.

Additional information received from the Governor's Office in January 2015 indicates that 4th quarter 2014 returns to the Fund increase the available balances by approximately \$32.0 million; the actual balance will depend on expenditures and amounts encumbered for awards in FY 2015.

Summary of Fiscal and Policy Issues

1 History of Emerging Technology Fund Awards. The table below provides detail of the awards granted by the Emerging Technology Fund.

Emerging Technology Awards		
Bienium	Total Awards Granted	Total Amount Awarded
2010-11	50	\$107,238,000
2012-13	11	\$55,490,235
2014-15*	11	\$15,775,000
TOTAL	72	\$178,503,235

*As of September 30, 2014

Source: Office of the Governor Texas Emerging Technology Fund Reports

Performance and/or Operational Issues

- 1 State Auditor's Office (Report Number 11-029, April 2011).** The State Auditor's Office published *An Audit Report on the Emerging Technology Fund*. The findings included that the Emerging Technology Fund (ETF) should make significant improvements to promote greater transparency and accountability. Issues in a number of areas impair the administration of the ETF in the best interests of the State, and improvements are needed to hold recipients of funds accountable. Auditors' recommendations included:
 - a) Improve transparency and accountability at all levels of the Emerging Technology Fund's grant and award processes;
 - b) Improve its reviews of ETF recipients, Regional Centers for Innovation and Commercialization (RCIC), and the Texas Life Science Center to ensure that they comply with requirements and spend funds in accordance with grant terms.
 - c) Report the value of the State's investments through the ETF on its financial statements; and
 - d) Improve its administration of contracts with RCICs, the Texas Life Science Center, and ETF recipients.
- 2 Indirect Administration Amounts.** The Trusteed Programs Within the Office of the Governor included indirect administration costs across all programs in their SFR submission. Additionally in some programs, direct administration was allocated across programs to reflect the funding for management that may not appropriated directly in their LAR submission.

Recommended Statutory Changes for Program Improvement

1 None

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
1 No funding alternative options were submitted on this program by the agency.	\$ -	\$ -	0.0