

**Comptroller of Public Accounts
Summary of Recommendations - Senate**

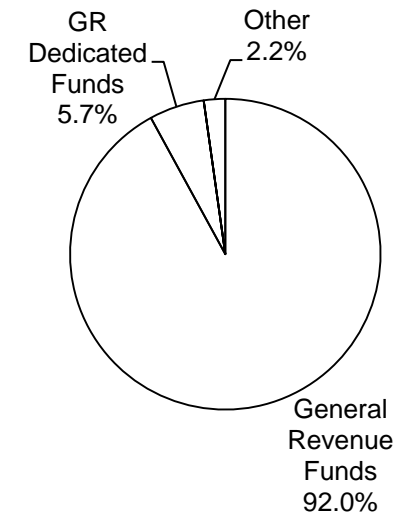
Page I-18

The Honorable Susan Combs, Comptroller of Public Accounts

Lena Conklin, LBB Analyst

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$460,381,486	\$453,465,357	\$400,306,020	(\$53,159,337)	(11.7%)
GR Dedicated Funds	\$0	\$0	\$24,908,204	\$24,908,204	100.0%
Total GR-Related Funds	\$460,381,486	\$453,465,357	\$425,214,224	(\$28,251,133)	(6.2%)
Federal Funds	\$0	\$4,309,639	\$0	(\$4,309,639)	(100.0%)
Other	\$4,017,480	\$47,567,082	\$9,686,350	(\$37,880,732)	(79.6%)
All Funds	\$464,398,966	\$505,342,078	\$434,900,574	(\$70,441,504)	(13.9%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	3,151.6	3,151.6	2,877.3	(274.3)	(8.7%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 16.7% of the agency's estimated total available funds for the 2012-13 biennium.

Comptroller of Public Accounts

2012-2013 BIENNIUM

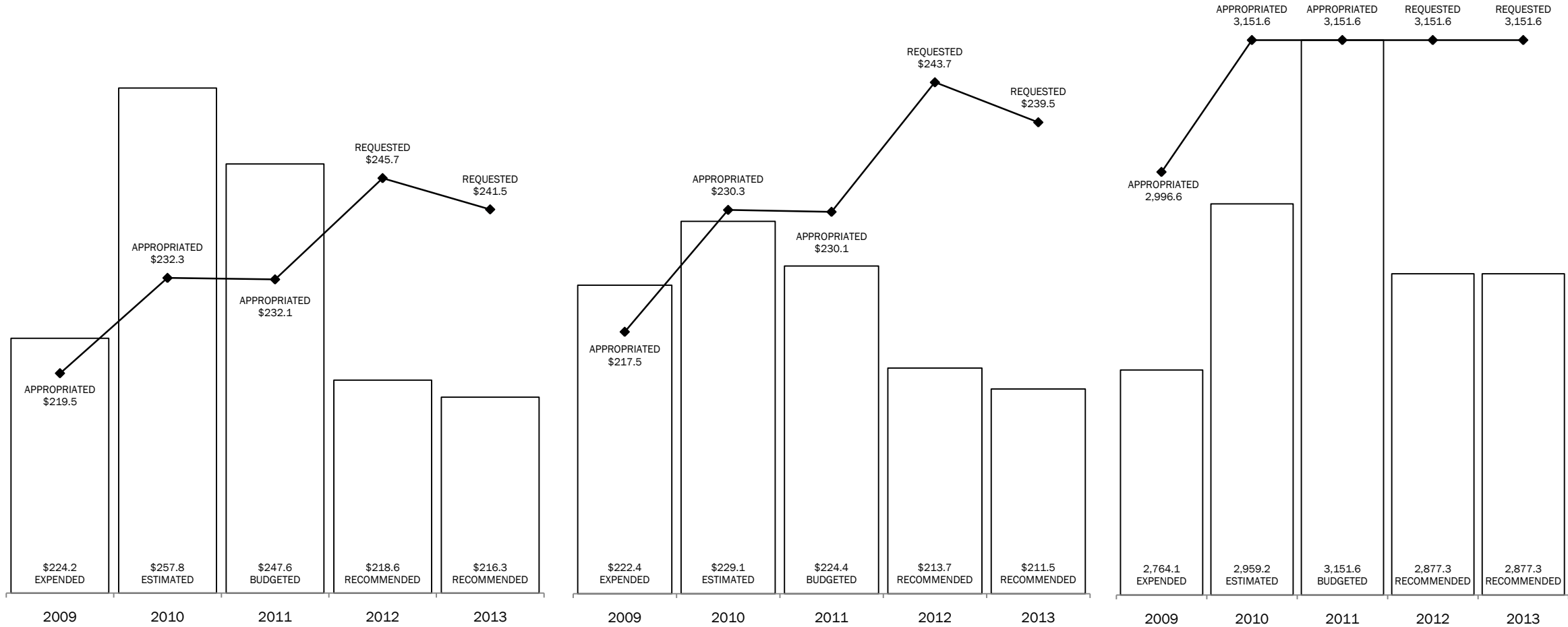
IN MILLIONS

TOTAL= \$434.9 MILLION

ALL FUNDS

**GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS**

FULL-TIME-EQUIVALENT POSITIONS



Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					Recommendations reflect incorporation of agency's 10 percent reduction options to selected programs which are not anticipated to result in revenue loss. Reductions were also incorporated for fiscal management and accounting, property value studies, public outreach and publications, local government assistance and the Council on Competitive Government.
					Recommendations provide increased funding for administration of the Economic Development Act and transfer of the Surplus Property programs from the Facilities Commission, both of which are contingent on enactment of legislation. In addition, a rider appropriation is included to reimburse General Revenue for the cost of insurance premium tax credits for examination fees and overhead assessments.
					Recommendations also include an increase in the rate of the unclaimed property handling fee deducted from payment of claims over \$100 from 1.5 percent to 10 percent. Recommendation is contingent on enactment of legislation setting the fee at 10 percent in statute and is anticipated to generate an additional \$27.7 million in General Revenue above the Biennial Revenue Estimate.
ONGOING AUDIT ACTIVITIES A.1.1	\$154,784,174	\$151,301,615	(\$3,482,559)	(2.2%)	
TAX LAWS COMPLIANCE A.2.1	\$69,711,523	\$68,393,080	(\$1,318,443)	(1.9%)	
TAXPAYER INFORMATION A.3.1	\$35,140,033	\$31,089,538	(\$4,050,495)	(11.5%)	
TAX HEARINGS A.4.1	\$17,067,841	\$14,542,460	(\$2,525,381)	(14.8%)	
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$276,703,571	\$265,326,693	(\$11,376,878)	(4.1%)	
ACCOUNTING/REPORTING B.1.1	\$92,763,553	\$45,896,738	(\$46,866,815)	(50.5%)	
PROPERTY TAX PROGRAM B.2.1	\$19,586,005	\$12,959,886	(\$6,626,119)	(33.8%)	
FISCAL RESEARCH & STUDIES B.3.1	\$16,992,517	\$1,226,819	(\$15,765,698)	(92.8%)	
TREASURY OPERATIONS B.4.1	\$9,245,332	\$28,188,918	\$18,943,586	204.9%	
PROCUREMENT B.5.1	\$11,394,223	\$15,962,162	\$4,567,939	40.1%	
COUNCIL ON COMPETITIVE GOVERNMENT B.6.1	\$1,039,890	\$420,010	(\$619,880)	(59.6%)	
Total, Goal B, MANAGE FISCAL AFFAIRS	\$151,021,520	\$104,654,533	(\$46,366,987)	(30.7%)	
REVENUE & TAX PROCESSING C.1.1	\$77,616,987	\$64,919,348	(\$12,697,639)	(16.4%)	
Total, Goal C, TAX AND FINANCIAL INFO TECHNOLOGY	\$77,616,987	\$64,919,348	(\$12,697,639)	(16.4%)	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$505,342,078	\$434,900,574	(\$70,441,504)	(13.9%)	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
ONGOING AUDIT ACTIVITIES A.1.1	\$154,714,009	\$151,233,629	(\$3,480,380)	(2.2%)	
TAX LAWS COMPLIANCE A.2.1	\$69,681,082	\$68,362,794	(\$1,318,288)	(1.9%)	
TAXPAYER INFORMATION A.3.1	\$35,124,675	\$31,074,258	(\$4,050,417)	(11.5%)	
TAX HEARINGS A.4.1	\$17,063,196	\$14,537,858	(\$2,525,338)	(14.8%)	
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$276,582,962	\$265,208,539	(\$11,374,423)	(4.1%)	Recommendations for strategies and programs within Goal A incorporate the agency's 10 percent reductions which include reductions for information technology support and delay of related projects, travel, printing and postage, and hiring freezes.
ACCOUNTING/REPORTING B.1.1	\$46,631,079	\$41,433,472	(\$5,197,607)	(11.1%)	In addition to savings of operating expenses from the agency's 10 percent reduction options, recommendations also include reductions of \$4.6 million from funds expended towards development in 2010-11 of the Centralized Accounting and Payroll/Personnel System (an enterprise resource planning system).
PROPERTY TAX PROGRAM B.2.1	\$19,377,422	\$12,751,346	(\$6,626,076)	(34.2%)	Recommendations provide funding for the property tax program which includes studies of independent school districts property values; ratio studies of county appraisal districts (CADs) to determine uniformity and median value of appraisals; and review of governance, appraisal standards and methodology of CADs. Reductions are included primarily due to savings from reduced frequency of property value studies and ratio studies due to passage of HB 8, 81st Regular Session.

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
FISCAL RESEARCH & STUDIES B.3.1	\$15,581,770	\$1,226,819	(\$14,354,951)	(92.1%)	Funding is provided to maintain the Texas Transparency website which includes <i>Where the Money Goes</i> and <i>Where the Money Comes From</i> for site visitors to search agency spending and track state revenue sources. Rider appropriations also provide fee revenue for administration of the Economic Development Act contingent on enactment of legislation implementing recommendations included in the <i>Government Effectiveness and Efficiency Report</i> to restructure the Act. Recommendations include elimination of the agency's public outreach, publications and local government assistance programs.
TREASURY OPERATIONS B.4.1	\$9,187,648	\$8,131,254	(\$1,056,394)	(11.5%)	Recommendations maintain treasury operations and incorporate reductions in operating expenses and hiring freezes included in agency's 10 percent reduction schedule.
PROCUREMENT B.5.1	\$7,480,018	\$6,247,486	(\$1,232,532)	(16.5%)	Recommendations maintain procurement functions and incorporate reductions for hiring freezes included in agency's 10 percent reduction schedule.
COUNCIL ON COMPETITIVE GOVERNMENT B.6.1	\$1,039,890	\$420,010	(\$619,880)	(59.6%)	Recommendations reflect reductions to elimination the Council on Competitive Government and provide funding for administration of current contracts.
Total, Goal B, MANAGE FISCAL AFFAIRS	\$99,297,827	\$70,210,387	(\$29,087,440)	(29.3%)	
REVENUE & TAX PROCESSING C.1.1	\$77,584,568	\$64,887,094	(\$12,697,474)	(16.4%)	Recommendations incorporate reductions to operating expenses and hiring freezes included in agency's 10 percent reduction schedule.
Total, Goal C, TAX AND FINANCIAL INFO TECHNOLOGY	\$77,584,568	\$64,887,094	(\$12,697,474)	(16.4%)	
Grand Total, All Strategies	\$453,465,357	\$400,306,020	(\$53,159,337)	(11.7%)	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
ONGOING AUDIT ACTIVITIES A.1.1	\$0	\$0	\$0	0.0%	
TAX LAWS COMPLIANCE A.2.1	\$0	\$0	\$0	0.0%	
TAXPAYER INFORMATION A.3.1	\$0	\$0	\$0	0.0%	
TAX HEARINGS A.4.1	\$0	\$0	\$0	0.0%	
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$0	\$0	\$0	0.0%	
ACCOUNTING/REPORTING B.1.1	\$0	\$0	\$0	0.0%	
PROPERTY TAX PROGRAM B.2.1	\$0	\$0	\$0	0.0%	
FISCAL RESEARCH & STUDIES B.3.1	\$0	\$0	\$0	0.0%	
TREASURY OPERATIONS B.4.1	\$0	\$20,000,000	\$20,000,000	100.0%	Recommendations provide rider appropriations of an estimated \$20 million in General Revenue-Dedicated Department of Insurance Operating Fund 36 for transfer to General Revenue to reimburse the fund for tax credits for examination fees and overhead assessments. Recommendation is included in the <i>Government Effectiveness and Efficiency Report</i> .
PROCUREMENT B.5.1	\$0	\$4,908,204	\$4,908,204	100.0%	Recommendations reflect transfer of Federal Surplus Property Program from the Facilities Commission contingent on enactment of legislation authorizing the transfer. The program is funded through the General Revenue-Dedicated Federal Surplus Property Service Charge Fund No. 570.
COUNCIL ON COMPETITIVE GOVERNMENT B.6.1	\$0	\$0	\$0	0.0%	
Total, Goal B, MANAGE FISCAL AFFAIRS	\$0	\$24,908,204	\$24,908,204	100.0%	
REVENUE & TAX PROCESSING C.1.1	\$0	\$0	\$0	0.0%	
Total, Goal C, TAX AND FINANCIAL INFO TECHNOLOGY	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$0	\$24,908,204	\$24,908,204	100.0%	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
ONGOING AUDIT ACTIVITIES A.1.1	\$0	\$0	\$0	0.0%	
TAX LAWS COMPLIANCE A.2.1	\$0	\$0	\$0	0.0%	
TAXPAYER INFORMATION A.3.1	\$0	\$0	\$0	0.0%	
TAX HEARINGS A.4.1	\$0	\$0	\$0	0.0%	
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$0	\$0	\$0	0.0%	
ACCOUNTING/REPORTING B.1.1	\$4,309,639	\$0	(\$4,309,639)	(100.0%)	Recommendations reflect reductions of funds from the American Recovery and Reinvestment Act in 2010-11 transferred from the Governor's office to monitor and report on ARRA funds received by Texas state agencies.
PROPERTY TAX PROGRAM B.2.1	\$0	\$0	\$0	0.0%	
FISCAL RESEARCH & STUDIES B.3.1	\$0	\$0	\$0	0.0%	
TREASURY OPERATIONS B.4.1	\$0	\$0	\$0	0.0%	
PROCUREMENT B.5.1	\$0	\$0	\$0	0.0%	
COUNCIL ON COMPETITIVE GOVERNMENT B.6.1	\$0	\$0	\$0	0.0%	
Total, Goal B, MANAGE FISCAL AFFAIRS	\$4,309,639	\$0	(\$4,309,639)	(100.0%)	
REVENUE & TAX PROCESSING C.1.1	\$0	\$0	\$0	0.0%	
Total, Goal C, TAX AND FINANCIAL INFO TECHNOLOGY	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$4,309,639	\$0	(\$4,309,639)	(100.0%)	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
ONGOING AUDIT ACTIVITIES A.1.1	\$70,165	\$67,986	(\$2,179)	(3.1%)	
TAX LAWS COMPLIANCE A.2.1	\$30,441	\$30,286	(\$155)	(0.5%)	
TAXPAYER INFORMATION A.3.1	\$15,358	\$15,280	(\$78)	(0.5%)	
TAX HEARINGS A.4.1	\$4,645	\$4,602	(\$43)	(0.9%)	
Total, Goal A, COMPLIANCE WITH TAX LAWS	\$120,609	\$118,154	(\$2,455)	(2.0%)	
ACCOUNTING/REPORTING B.1.1	\$41,822,835	\$4,463,266	(\$37,359,569)	(89.3%)	Recommendations reflect elimination of Interagency Contracts from the Health and Human Services Commission (HHSC), Department of Information Resources (DIR) and Texas Department of Transportation (TxDOT) for development of a new statewide enterprise resource planning system (\$36.1 million) or the Centralized Accounting and Payroll/Personnel System (CAPPS) and associated training costs (\$0.9 million).
					Recommendations maintain funding for the Integrated Statewide Administrative System (ISAS) from several agencies that enter into Interagency Contracts with the Comptroller of Public Accounts.
PROPERTY TAX PROGRAM B.2.1	\$208,583	\$208,540	(\$43)	(0.0%)	
FISCAL RESEARCH & STUDIES B.3.1	\$1,410,747	\$0	(\$1,410,747)	(100.0%)	Recommendations reflect reductions due to elimination of Interagency Contract funds from the Texas Education Agency (TEA) for the Comptroller to rank the relative performance of school districts and campuses in resource allocation as it relates to high student achievement as required by HB 3, 81st Regular Session.
TREASURY OPERATIONS B.4.1	\$57,684	\$57,664	(\$20)	(0.0%)	
PROCUREMENT B.5.1	\$3,914,205	\$4,806,472	\$892,267	22.8%	Recommendations reflect transfer of State Surplus Property program from the Facilities Commission, contingent upon enactment of legislation.
COUNCIL ON COMPETITIVE GOVERNMENT B.6.1	\$0	\$0	\$0	0.0%	
Total, Goal B, MANAGE FISCAL AFFAIRS	\$47,414,054	\$9,535,942	(\$37,878,112)	(79.9%)	
REVENUE & TAX PROCESSING C.1.1	\$32,419	\$32,254	(\$165)	(0.5%)	
Total, Goal C, TAX AND FINANCIAL INFO TECHNOLOGY	\$32,419	\$32,254	(\$165)	(0.5%)	

Comptroller of Public Accounts
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$47,567,082	\$9,686,350	(\$37,880,732)	(79.6%)	

**Comptroller of Public Accounts
Selected Fiscal and Policy Issues**

1. Fiscal Implications of LBB Recommendations

- **Centralized Accounting and Payroll/Personnel System (CAPPS):** In the 2010-11 biennium, total costs of the CAPPS enterprise resource planning system are anticipated to be \$45.7 million, assuming no adjustments are made during the remainder of the biennium. Recommendations do not include maintenance costs requested by the Comptroller's office for CAPPS (\$39.9 million in General Revenue). Included within requested amounts is \$4.2 million for maintenance and licensing of PeopleSoft software for the Integrated Statewide Administrative System (ISAS) which was transferred from DIR to CPA since CAPPS development utilizes customizations of PeopleSoft already in place for ISAS. The Comptroller's request also includes contractor costs for maintenance, server costs, additional licensing fees for CAPPS and support for upgrades, troubleshooting and backup. Agency will not be able to provide and support the CAPPS system without funding for maintenance and licensing. However, recommendations include maintenance of ISAS through continued funding from agencies through Interagency Contracts.

As noted in the ProjectONE Report to the 82nd Legislature, the agency is in the process of revising the request for CAPPS.

- **Property Tax Program:** Due to enactment of HB 8 during the 81st regular session, the frequency at which the agency is required to perform reviews of property values of school districts and ratio studies conducted on appraisal districts has been reduced from annually to biennially or every other year. In instances where a school district's property values are found to be invalid, frequency of reviews is increased to annually. Reductions included in recommendations for this program incorporate savings based on workload reductions for the agency in performing these reviews.
- **Fiscal Research and Studies:** Recommendations include elimination of the agency's public outreach, publications, and local government assistance programs. Through these programs the agency reports on state economic, tax and financial issues. In addition the agency provides assistance, including seminars and workshops, to local government officials on financial matters, including economic development, budgeting and auditing. Agency will not be able to provide the public with information on the state's economic condition or assistance to local governments on a variety of budget and financial issues.

Funding is maintained for the Texas Transparency website which includes *Where the Money Goes* and *Where the Money Comes From* for site visitors to search agency spending and track state revenue sources.

Recommendations also provide appropriations of \$1 million in estimated fee revenue (General Revenue) contingent on passage of legislation to implement recommendations related to the Economic Development Act in the Government Effectiveness and Efficiency Report, which includes restructuring the Act with respect to the authority of the state and local school districts, the economic impact evaluation, treatment of eligibility categories, job and wage requirements, and related fee authority.

- **Transfer of Federal and State Surplus Property Program:** Recommendations include transfer of Federal and State Surplus Property Program from the Texas Facilities Commission. Recommendations provide a savings of \$0.4 million due to elimination of indirect costs for the Federal program in the General Revenue-Dedicated Federal Surplus Property Service Charge Fund No. 570. Restrictions to the State program are provided through (new) Rider 16, Contingency Appropriation Requiring Statutory Change: Transfer of State Surplus Property Program, to cap appropriations from Appropriated Receipts from sales of surplus property to an amount not to exceed \$1.6 million. Annual reporting requirements are also included for the agency.
- **Council on Competitive Government:** Recommendations reflect reductions to the Council on Competitive Government to limit functions to provide for management of current contracts. The Council would not be able to perform future reviews and studies to identify savings for state services.
- **Unclaimed Property Handling Fees:** Statute authorizes the Comptroller's office to charge a handling fee from payment of unclaimed property claims over \$100 without setting the fee rate. The office currently sets the fee at 1.5 percent (estimated to generate \$4.2 million over the 2010-11 biennium) and is appropriated receipts from the fee through Rider 8, Appropriation for Statutory Obligations. The Comptroller's office expends this amount to enhance outreach efforts for the unclaimed property program.

Recommendations are to set the fee rate to 10 percent in statute, contingent on enactment of legislation, resulting in an estimated revenue gain of \$27.7 million to unappropriated General Revenue above the Biennial Revenue Estimate from 85 percent of receipts generated from the fee at the new rate. The agency would continue to have authority to expend the remaining 15 percent, or 1.5 percent of the fee rate, for outreach and program administration. The new rate of the handling fee would reduce the payment of claims by an additional 8.5 percent and is reflected in appropriations for Strategy A.1.8 Unclaimed Property in the bill pattern of Fiscal Programs – Comptroller of Public Accounts.

2. **Statutory Change Required to Implement Recommendations**

- Restructure the Economic Development Act – Tax Code, Chapter 313.
- Transfer of Federal and State Surplus Property Program Operations from Facilities Commission – Government Code, Chapter 2175.
- Increase in unclaimed property handling fees to 10 percent of claim payouts for claims over \$100 – Property Code, Section 74.509.

3. **Contingency Appropriation(s) Requiring Statutory Change**

- Appropriation of fee revenue (estimated to be \$1 million in General Revenue) for administration of the Economic Development Act as restructured according to recommendations in the Government Effectiveness and Efficiency Report.

- Appropriations from General Revenue-Dedicated Federal Surplus Property Service Charge Fund 570 (\$4.9 million) and Appropriated Receipts (\$1.6 million) for transfer of Federal and State Surplus Property programs from Facilities Commission.

4. **LBB Staff Review – Sales Tax Holiday.**

- Legislative Budget Board staff researched use of sales tax holidays in Texas and other states. Some states canceled planned holidays in 2009 and 2010 based on revenue needs. Texas statute provides for an annual holiday regardless of the state's ability to afford it in a given year. Amending statute to restructure the holiday to create a permanent review process administered by the Comptroller that would use budget criteria as the basis for determining whether to hold the holiday would give the state flexibility. Suspension of the holiday in fiscal years 2011 and 2012 would provide the state with a general revenue gain of \$14.5 million in fiscal year 2011 and \$97.3 million over the 2012-13 biennium. The report is included in the Government Effectiveness and Efficiency Report.

5. **Historical Underutilized Business (HUB) Activity Report.**

- Pursuant to Government Code 2161.127, each state agency and institution of higher education must include as part of its legislative appropriations request (LAR) a report detailing the extent to which the agency has made “good faith” efforts to comply with both HUB-related general law and rules adopted by the Comptroller of Public Accounts. The LBB has subsequently gathered information related to agency HUB activity and created a report detailing that information. This report is available on the LBB website. Recommendations maintain an Article IX provision indicating that this report is available on the LBB website. The provision, Article IX, Section 7.09 reads as follows:

Reporting of Historically Underutilized Business (HUB) Key Measures. In accordance with Government Code 2167.127 relating to the reporting of HUB key performance measures, the Legislative Budget Board hereby reports information provided by agencies and Institutions of Higher Education in the legislative appropriations requests on the LBB website, which can be found at http://www.lbb.state.tx.us/Bill_82/Art9HUBKeyMeasures.pdf.

**Comptroller of Public Accounts
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	3,003.6	3,151.6	3,151.6	2,877.3	2,877.3
Actual/Budgeted	2,764.1	2,959.2	3,151.6	NA	NA
Schedule of Exempt Positions (Cap)					
Comptroller of Public Accounts, Group 6	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

Recommendations include eliminating a total of 274.3 FTEs as follows:

- decrease of 109.0 FTEs for hiring freezes included in 10 percent reduction options;
- decrease of 23.0 FTEs in Strategy B.1.1 Accounting/Reporting for FTEs redirected from CAPPs;
- decrease of 42.0 FTEs in Strategy B.2.1 Property Tax Program due to reduced frequency of property value studies;
- decrease of 127.2 FTEs in Strategy B.3.1 Fiscal Research and Studies due to elimination of publications, outreach and local government assistance programs;
- increase of 6.0 FTEs in contingency appropriations related to administration of the Economic Development Act;
- decrease of 3.6 FTEs in Strategy B.6.1 Council on Competitive Government; and
- increase of 24.5 FTEs in Strategy B.5.1 Procurement for transfer of surplus property programs from the Facilities Commission, contingent on enactment of legislation.

The State Auditor's Report No. 10-706, A Classification Study of Exempt Positions, found that the salary cap for the Comptroller of Public Accounts (\$150,000) is higher than the average salary for comparable positions (\$134,299) based on results of a survey of the 10 most populous and 4 surrounding states.

**Comptroller of Public Accounts
Performance Measure Highlights**

	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
<ul style="list-style-type: none"> <i>Total Number of Responses Issued by Tax Policy and Tax Policy Support</i> <p><i>Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for operating expenses and hiring freeze in Strategy A.3.1 Taxpayer Information.</i></p>	43,381	36,629	38,040	29,386	30,267
<ul style="list-style-type: none"> <i>Percent of Responses Issued by the Tax Policy and Tax Policy Support Areas within 7 Working Days</i> <p><i>Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for operating expenses and hiring freezes in Strategy A.3.1 Taxpayer Information.</i></p>	55.8%	59.5%	64.0%	50.0%	51.0%
<ul style="list-style-type: none"> <i>Number of Responses Provided to Local Government Requests for Assistance and Information</i> <p><i>Measure Explanation: Recommended performance levels are due to elimination of local government assistance programs in Strategy B.3.1 Fiscal Research & Studies.</i></p>	2,047	2,098	2,400	0	0
<ul style="list-style-type: none"> <i>Number of Historically Underutilized Business Field Audits Conducted</i> <p><i>Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for hiring freezes in Strategy B.5.1 Procurement.</i></p>	796	641	800	600	600
<ul style="list-style-type: none"> <i>Number of Historically Underutilized Business Desk Audits</i> 	3,001	4,041	2,500	1,900	1,900

Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for hiring freezes in Strategy B.5.1 Procurement.

•	<i>Time Taken to Return Tax Allocations to Local Jurisdictions</i>	20.8	20.5	21	28	28
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Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for operating expenses and hiring freezes in Strategy C.1.1 Revenue and Tax Processing.

•	<i>Average Number of Hours to Deposit Receipts</i>	4.6	4.6	5	28	28
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Measure Explanation: Reductions in recommended performance targets are due to incorporation of 10 percent reduction options for operating expenses and hiring freezes in Strategy C.1.1 Revenue and Tax Processing. Measure is based on 24 hour schedule rather than business hours.

Section 4

Comptroller of Public Accounts (CPA)
Performance Review and Policy Report Highlights

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
Effectiveness and Efficiency Review of the Texas Economic Development Act	1					
1. Amend Texas Tax Code, Chapter 313, to make changes to the structure of the Texas Economic Development Act and include a contingency rider to appropriate \$630,000 in each fiscal year of the 2012-13 biennium to fund six full-time equivalent positions for the administration of the program. This appropriation is also contingent upon the Comptroller of Public Accounts assessing and collecting fee revenue sufficient to cover the cost of administering current and expanded responsibilities relating to the program. These amounts include employee benefits.		(\$1,260,000)	\$ 1,260,000	GR	Rider 13 (Contingency)	Amend Tax Code
End the Use of General Revenue Funds to Pay for Insurance Company Examinations	465					
1. Include a rider in the 2012-13 General Appropriations Bill to appropriate from the Insurance Company Maintenance Tax to the Comptroller of Public Accounts for deposit to the General Revenue Fund the amount necessary to reimburse the General Revenue Fund for insurance premium tax credits for examination fees and overhead assessments. This rider would have no effect if legislation repealing the insurance tax credits is enacted as savings would be realized from the repeal.			\$ 18,500,000	GR	Rider 14	

**Comptroller of Public Accounts
Rider Highlights**

4. (old) **Support to the Board of Tax Professional Examiners.** Delete rider due to agency abolishment and transfer of functions to Department of Licensing and Regulation, per HB 2447, Eighty-first Legislature, Regular Session, 2009.
8. (revise) **Appropriation for Statutory Obligations.** Revise rider to add provision limiting appropriation of receipts from unclaimed property handling fee to 15% of receipts collected in the event that legislation is enacted setting the fee at 10 percent.
13. (new) **Contingency for Government Effectiveness and Efficiency Recommendations relating to the Texas Economic Development Act.** Add rider appropriating an estimated \$1 million in fee revenue (General Revenue) and increasing the FTE cap by 6.0 for the administration of the Economic Development Act contingent on enactment of legislation restructuring the Act in accordance with recommendations presented in the Government Effectiveness and Efficiency Report and contingent on the Comptroller of Public Accounts utilizing the fee authority. Rider also directs the Comptroller to administer the program out of funds appropriated if relevant legislation is not enacted.
13. (old) **Public Outreach.** Delete rider due to elimination of funding for publications and outreach programs in Strategy B.3.1 Fiscal Research & Studies.
14. (new) **Appropriation to Reimburse the General Revenue Fund for the Cost of Certain Insurance Tax Credits.** Add rider appropriating \$10 million each fiscal year from General Revenue-Dedicated Department of Insurance Operating Fund 36 for deposit to the General Revenue Fund to reimburse for cost of insurance premium tax credits for examination fees and overhead assessments.
15. (new) **Contingency Appropriation Requiring Statutory Change: Transfer of Federal Surplus Property Program.** Add rider appropriating \$4.9 million (including \$2.2 million in unexpended balances) in General Revenue-Dedicated Fund 570 and 13.5 full-time equivalent (FTE) positions for the transfer of the Federal Surplus Property Program from the Facilities Commission contingent upon enactment of legislation. Rider also requires program to cover costs for "other direct and indirect costs" included elsewhere in the General Appropriations Act (estimated to be \$220,162 in fiscal year 2012 and \$218,616 in fiscal year 2013). Rider provides that appropriations will be transferred to Facilities Commission if contingent legislation is not enacted.
15. (old) **Four Day Work Week Study.** Delete rider due to completion of study.
16. (new) **Contingency Appropriation Requiring Statutory Change: Transfer of State Surplus Property Program.** Add rider appropriating \$1.6 million in Appropriated Receipts and 11.0 FTEs for the transfer of the State Surplus Property Program from the Facilities Commission contingent upon enactment of legislation. Rider caps Appropriated Receipts from sales of state surplus property at \$1.6 million. Annual reporting requirement is also included. Rider provides that appropriations will be transferred to Facilities Commission if contingent legislation is not enacted.

16. (old) **Increase Tax Compliance and State Revenue.** Delete rider which provided contingency appropriations increases for auditors and compliance officers in 2010-11.

**Comptroller of Public Accounts
Items not Included in Recommendations - Senate**

	2012-13 Biennial Total	
	GR & GR- Dedicated	All Funds
<p>1. Transfer new Rider 14, Appropriation to Reimburse the General Revenue Fund for the Cost of Certain Insurance Tax Credits, and related appropriations of \$20 million in General Revenue Dedicated Texas Department of Insurance Operating Fund Account No. 36 to bill pattern of Fiscal Programs - Comptroller of Public Accounts. Rider is related to recommendations in the Government Effectiveness and Efficiency Report. Rider directs funds to be deposited to General Revenue.</p>	\$ (20,000,000)	\$ (20,000,000)
Total, Items Not Included in the Recommendations	\$ (20,000,000)	\$ (20,000,000)