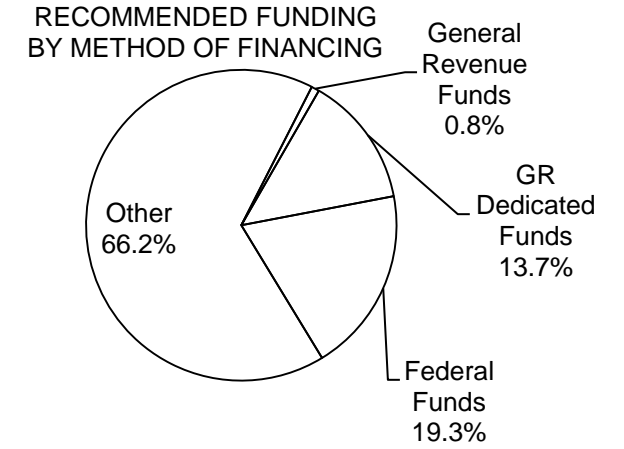


**General Land Office and Veterans' Land Board  
Summary of Recommendations - Senate**

Jerry Patterson

Tom Lambert, LBB Analyst

<b>Method of Financing</b>	<b>2010-11 Appropriations</b>	<b>2010-11 Base</b>	<b>2012-13 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
General Revenue Funds	\$10,379,926	\$19,248,024	\$1,294,780	(\$17,953,244)	(93.3%)
GR Dedicated Funds	\$23,110,051	\$22,567,455	\$21,518,558	(\$1,048,897)	(4.6%)
<i>Total GR-Related Funds</i>	<i>\$33,489,977</i>	<i>\$41,815,479</i>	<i>\$22,813,338</i>	<i>(\$19,002,141)</i>	<i>(45.4%)</i>
Federal Funds	\$33,935,183	\$64,750,267	\$30,374,046	(\$34,376,221)	(53.1%)
Other	\$98,785,882	\$115,878,529	\$104,172,595	(\$11,705,934)	(10.1%)
<b>All Funds</b>	<b>\$166,211,042</b>	<b>\$222,444,275</b>	<b>\$157,359,979</b>	<b>(\$65,084,296)</b>	<b>(29.3%)</b>



	<b>FY 2011 Appropriations</b>	<b>FY 2011 Budgeted</b>	<b>FY 2013 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
<b>FTEs</b>	611.6	611.6	598.2	(13.4)	(2.2%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 15.5% of the agency's estimated total available funds for the 2012-13 biennium.

**General Land Office and Veterans' Land Board**

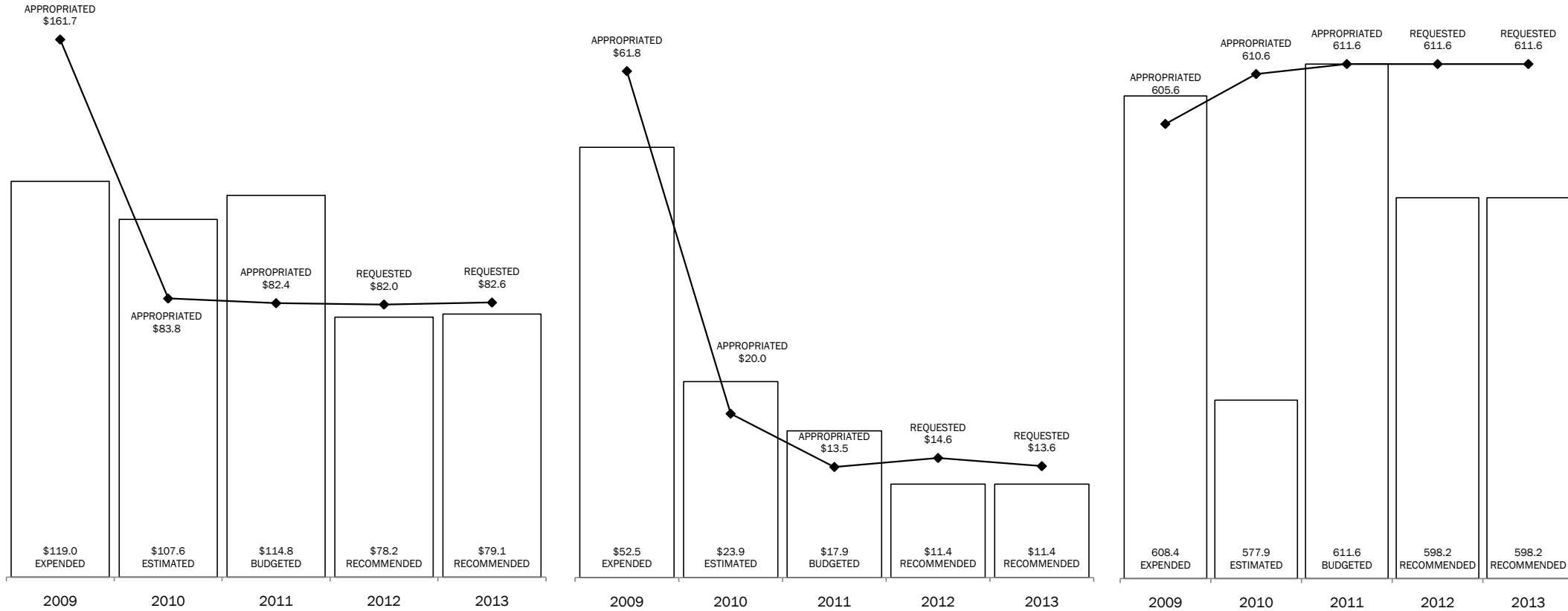
2012-2013 BIENNIUM  
IN MILLIONS

TOTAL= \$157.3 MILLION

**ALL FUNDS**

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

**FULL-TIME-EQUIVALENT POSITIONS**



Note: The agency's expenditures in 2009 and 2010, and its budgeted amount for 2011 exceed its appropriated amounts for the following reasons: (a) In 2009, the agency received \$39 million in General Revenue from a transfer from the Texas Public Finance Authority for disaster-related expenses including debris removal; (b) in 2010, the agency received \$10 million in General Revenue for disaster mitigation buyouts from House Bill 4586, 81st Legislature, \$21.5 million in Federal Fund reimbursements from the original \$39 million 2009 appropriation that it spent on coastal restoration projects; \$3.7 million in Federal Funds for the West Galveston Bay Estuarine Project; \$2.1 million in Federal Funds for a Gulf of Mexico Security Act Grant; \$1.2 million out of the Permanent School Fund No. 44 for a grant to the University of Texas Bureau of Economic Geology for a project involving carbon capture and storage; and (c) in 2011, the agency is budgeting \$6.1 million out of interagency Contracts from a grant from the Governor's Emergency Management Division for the restoration of the Bluewater Highway and \$5.0 million in Interagency Contracts from a Texas Emissions Reductions Plan grant from the Commission on Environmental Quality for natural gas-powered vehicles.

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$7,822,067	\$7,334,335	(\$487,732)	(6.2%)	The Introduced Bill includes a decrease of \$0.7 million in General Revenue, reflecting a shift of \$0.5 million in PSF-related costs paid out of General Revenue to the Permanent School Fund (PSF) No. 44 (See Selected Fiscal and Policy Issue No. 2) and the elimination of \$0.3 million in Capital Budget funding for the acquisition of information technology (See Selected Fiscal and Policy Issue No. 5); an increase of \$0.4 million out of the PSF No. 44 reflecting the shift of \$0.5 million in General Revenue costs to the PSF No. 44, a 5 percent administrative reduction totaling \$0.6 million (See Selected Fiscal and Policy Issue No. 2), and the anticipated filling of audit staff vacancies (\$0.4 million increase); and a decrease of \$0.1 million in Appropriated Receipts reflecting one-time donations in 2010-11 for the Save Texas History program.
ENERGY MARKETING A.1.2	\$7,536,073	\$2,197,692	(\$5,338,381)	(70.8%)	The Introduced Bill includes a decrease of \$0.8 million in General Revenue, reflecting the shift of PSF-related costs to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2); an increase of \$0.7 million out of the PSF No. 44, reflecting the shift of \$0.8 million in General Revenue costs to the PSF No. 44 and a 5 percent administrative reduction totaling \$0.1 million (See Selected Fiscal and Policy Issue No. 3); a decrease of \$5.0 million out of Interagency Contracts, reflecting a one-time Texas Emissions Reduction Plan grant from the Texas Commission on Environmental Quality in 2010-11; and a \$0.1 decrease out of Appropriated Receipts, reflecting one-time donations and sponsorship proceeds received during 2010-11 for the Adopt a Map and Adopt a Document programs.
DEFENSE AND PROSECUTION A.1.3	\$6,647,249	\$6,272,322	(\$374,927)	(5.6%)	The Introduced Bill includes a decrease of \$0.4 million in Appropriated Receipts, reflecting an anticipated decrease in litigation costs in 2012-13 as compared to 2010-11.
UPLANDS LEASING A.1.4	\$1,602,711	\$1,561,760	(\$40,951)	(2.6%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)
COASTAL LEASING A.1.5	\$5,134,983	\$4,722,114	(\$412,869)	(8.0%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ASSET MANAGEMENT A.2.1	\$15,957,021	\$12,992,226	(\$2,964,795)	(18.6%)	The Introduced Bill includes a \$1.2 million decrease out of the General Revenue Fund, reflecting a shift of \$0.9 million in PSF-related costs paid out of General Revenue to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2) and the completion of information technology-related Capital Budget projects in 2010-11 (\$0.3 million decrease); and a decrease of \$1.8 million out of the PSF No. 44 reflecting a one-time grant to the University of Texas Bureau of Economic Geology in 2010-11 for carbon capture and storage (\$1.2 million decrease), one-time hurricane cleanup costs (\$0.6 million), the shift of \$0.7 million in General Revenue costs to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2), and a 5 percent administrative reduction totaling \$0.6 million. (See Selected Fiscal and Policy Issue No. 3.)
SURVEYING AND APPRAISAL A.2.2	\$1,539,806	\$1,412,719	(\$127,087)	(8.3%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)
<b>Total, Goal A, ENHANCE STATE ASSETS</b>	<b>\$46,239,910</b>	<b>\$36,493,168</b>	<b>(\$9,746,742)</b>	<b>(21.1%)</b>	

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
COASTAL MANAGEMENT B.1.1	\$44,748,574	\$22,493,692	(\$22,254,882)	(49.7%)	The Introduced Bill includes a decrease of \$10.0 decrease for one-time structure buyouts in hurricane-damaged areas, as authorized by House Bill 4586, 81st Legislature; a decrease of \$0.3 million out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting a shift in costs for maintaining tide gauges to Strategy B.2.1, Oil Spill Response; a decrease of \$2.5 million in Federal Funds reflecting a \$5.1 million decrease for one-time American Recovery and Reinvestment Act funding for a West Galveston Bay Estuarine project, a decrease of \$2.1 million in Gulf of Mexico Energy Security Act (GOMESA) funding which is not expected in 2012-13, and an expected increase in Coastal Impact Assistance Funding (CIAP) funding of \$4.8 million in 2012-13 as compared to 2010-11; a decrease of \$9.5 million in Interagency Contracts funding including a decrease of \$6.1 million because of a one-time grant for the restoration of the Bluewater Highway from the Governor's Division of Emergency Management in 2010-11, a decrease of \$2.1 million reflecting the transfer of funds to Strategy B.1.2, Coastal Erosion Control, to increase coastal erosion control projects, and a decrease of \$1.2 million reflecting the 6 percent recommended reduction in funding derived from the Interagency Contract with the TPWD (See Selected Fiscal and Policy Issue No. 1); and a \$0.2 million increase in Appropriated Receipts, reflecting a shift in indirect costs from other strategies to better reflect the distribution of support activities.
COASTAL EROSION CONTROL GRANTS B.1.2	\$58,105,975	\$36,290,516	(\$21,815,459)	(37.5%)	The Introduced Bill includes a reduction of \$5.5 million in General Revenue for the one-time appropriation of funding for the closure of Rollover Pass on the Bolivar Peninsula; a decrease of \$20.9 million in Federal Funds due to the one-time appropriation of reimbursements from the Federal Emergency Management Agency for debris removal in 2010-11 as authorized in House Bill 4586, 81st Legislature; an increase of \$2.2 million in Interagency Contracts reflecting the shift of funds from Strategy B.1.1, Coastal Management, to provide more funding for coastal erosion construction projects; and an increase of \$1.9 million in Appropriated Receipts, reflecting a projection that the agency will increase the number of coastal erosion projects in which it will share costs with local governments.

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
OIL SPILL RESPONSE B.2.1	\$12,487,386	\$12,373,514	(\$113,872)	(0.9%)	The Introduced Bill includes a decrease out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting the elimination of \$0.3 million in Capital Budget funding for vehicles, boats, and hardware/software (See Selected Fiscal and Policy Issue No. 5) and a shift in indirect costs from the Veterans' Homes strategies (\$0.2 million increase) to better reflect the distribution of such services.
OIL SPILL PREVENTION B.2.2	\$8,477,046	\$7,515,042	(\$962,004)	(11.3%)	The Introduced Bill includes a decrease of \$0.6 million out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting a 5 percent administrative reduction totaling \$0.4 million (See Selected Fiscal and Policy Issue No. 1) and the elimination of \$0.3 million in Capital Budget funding for the PC/Server Rotation and Resiliency Capital Budget project (See Selected Fiscal and Policy Issue No. 5); and a decrease of \$0.4 million in Federal Funds, reflecting a one-time reimbursement from the Oil Liability Trust Fund for an oil spill for which a responsible party could not be found.
<b>Total, Goal B, PROTECT THE COASTAL ENVIRONMENT</b>	<b>\$123,818,981</b>	<b>\$78,672,764</b>	<b>(\$45,146,217)</b>	<b>(36.5%)</b>	
VETERANS' LOAN PROGRAMS C.1.1	\$23,297,391	\$23,851,904	\$554,513	2.4%	The Introduced Bill includes an increase out of the Veterans Land Program Administration Fund No. 522, reflecting a shift of indirect costs to this strategy to better reflect the distribution of such activities.
VETERANS' HOMES C.1.2	\$5,725,867	\$5,344,460	(\$381,407)	(6.7%)	The Introduced Bill includes a decrease out of the Veterans Land Program Administration Fund No 522 reflecting the elimination of \$0.3 million in Capital Budget funding for the PC/Server Rotation Resiliency Capital Budget project (See Selected Fiscal and Policy Issue No. 5) and the shift of indirect support costs to the Oil Spill Response strategy to better reflect the distribution of indirect services (\$0.1 million decrease).

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
VETERANS' CEMETERIES C.1.3	\$23,362,126	\$12,997,683	(\$10,364,443)	(44.4%)	The Introduced Bill includes a decrease of \$10.7 million in Federal Funds due to the completion of the State Cemetery in Corpus Christi expected in fiscal year 2012; an increase of \$0.4 million out of the Texas Veterans' Homes Administration Fund No. 374, reflecting increased operating costs as the Corpus Christi cemetery begins operations in fiscal year 2012; and a decrease of \$0.1 million out of the Veterans Land Program Administration Fund No. 522, reflecting the elimination of \$0.2 million in Capital Budget funding for the PC/Server Rotation and Resiliency and Aggregate Hardware/Software Capital Budget projects (See Selected Fiscal and Policy Issue No. 5), and the shift of support costs to this strategy to better reflect the distribution of indirect services (\$0.2 million increase).
<b>Total, Goal C, VETERANS' LAND BOARD (VLB)</b>	<b>\$52,385,384</b>	<b>\$42,194,047</b>	<b>(\$10,191,337)</b>	<b>(19.5%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$222,444,275</b>	<b>\$157,359,979</b>	<b>(\$65,084,296)</b>	<b>(29.3%)</b>	

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- GR & GR DEDICATED FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$719,270	\$0	(\$719,270)	(100.0%)	The Introduced Bill includes a decrease in General Revenue, reflecting a shift of \$0.5 million PSF-related costs paid out of General Revenue to the Permanent School Fund (PSF) No. 44 (See Selected Fiscal and Policy Issue No. 2) and the elimination of \$0.1 million Capital Budget funding for the Aggregated Hardware/Software Capital Budget project (See Selected Fiscal and Policy Issue No. 5); and a 25 percent reduction totaling \$0.1 million to the Gas Management System and Combined Systems Upgrade projects. (See Selected Fiscal and Policy Issue No. 5.)
ENERGY MARKETING A.1.2	\$874,733	\$0	(\$874,733)	(100.0%)	The Introduced Bill includes a decrease of \$0.8 million in General Revenue, reflecting the shift of PSF-related costs to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2); and a decrease of \$0.1 million reflecting the transfer of 2 FTEs from this strategy to other strategies throughout the agency.
DEFENSE AND PROSECUTION A.1.3	\$0	\$0	\$0	0.0%	
UPLANDS LEASING A.1.4	\$924	\$924	\$0	0.0%	
COASTAL LEASING A.1.5	\$624,611	\$577,028	(\$47,583)	(7.6%)	The Introduced Bill includes a decrease in General Revenue reflecting a 5 percent administrative reduction (See Selected Fiscal and Policy Issue No. 4).
ASSET MANAGEMENT A.2.1	\$1,196,335	\$0	(\$1,196,335)	(100.0%)	The Introduced Bill includes a \$1.2 million decrease out of the General Revenue Fund, reflecting a shift of \$0.4 million in PSF-related costs paid out of General Revenue to the Permanent School Fund (PSF) No. 44 (See Selected Fiscal and Policy Issue No. 2) and the completion of information technology-related Capital Budget projects in 2010-11 (\$0.3 million decrease);
SURVEYING AND APPRAISAL A.2.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, ENHANCE STATE ASSETS</b>	<b>\$3,415,873</b>	<b>\$577,952</b>	<b>(\$2,837,921)</b>	<b>(83.1%)</b>	
COASTAL MANAGEMENT B.1.1	\$11,205,109	\$815,748	(\$10,389,361)	(92.7%)	The Introduced Bill includes a decrease of \$10.0 million out of the General Revenue Fund for one-time structure buyouts in hurricane-damaged areas, as authorized by House Bill 4586, 81st Legislature; and a decrease of \$0.3 million out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting a shift in costs for maintaining tide gauges to Strategy B.2.1, Oil Spill Response.



Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- GR & GR DEDICATED FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
COASTAL EROSION CONTROL GRANTS B.1.2	\$6,601,826	\$1,539,992	(\$5,061,834)	(76.7%)	The Introduced Bill includes a reduction of \$5.5 million in General Revenue for the one-time appropriation of funding for the closure of Rollover Pass on the Bolivar Peninsula; and a 5 percent administrative reduction out of the General Revenue-Dedicated Coastal Protection Account No. 27 totaling \$40,720. (See Selected Fiscal and Policy Issue No. 4.)
OIL SPILL RESPONSE B.2.1	\$12,486,818	\$12,373,514	(\$113,304)	(0.9%)	The Introduced Bill includes a decrease out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting the elimination \$0.3 million in Capital Budget funding for vehicles, boats, and hardware/software (See Selected Fiscal and Policy Issue No. 5) and an shift in indirect costs from the Veterans' Homes strategies (\$0.2 million increase) to better reflect the distribution of such services.
OIL SPILL PREVENTION B.2.2	\$8,105,853	\$7,506,132	(\$599,721)	(7.4%)	The Introduced Bill includes a decrease of \$0.6 million out of the General Revenue-Dedicated Coastal Protection Account No. 27, reflecting a 5 percent administrative reduction totaling \$0.4 million (See Selected Fiscal and Policy Issue No. 4) and the elimination of \$0.3 million in Capital Budget funding for the PC/Server Rotation and Resiliency Capital Budget projects (See Selected Fiscal and Policy Issue No. 5).
<b>Total, Goal B, PROTECT THE COASTAL ENVIRONMENT</b>	<b>\$38,399,606</b>	<b>\$22,235,386</b>	<b>(\$16,164,220)</b>	<b>(42.1%)</b>	
VETERANS' LOAN PROGRAMS C.1.1	\$0	\$0	\$0	0.0%	
VETERANS' HOMES C.1.2	\$0	\$0	\$0	0.0%	
VETERANS' CEMETERIES C.1.3	\$0	\$0	\$0	0.0%	
<b>Total, Goal C, VETERANS' LAND BOARD (VLB)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$41,815,479</b>	<b>\$22,813,338</b>	<b>(\$19,002,141)</b>	<b>(45.4%)</b>	

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- FEDERAL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$302,310	\$312,586	\$10,276	3.4%	
ENERGY MARKETING A.1.2	\$4,681	\$0	(\$4,681)	(100.0%)	
DEFENSE AND PROSECUTION A.1.3	\$0	\$0	\$0	0.0%	
UPLANDS LEASING A.1.4	\$0	\$0	\$0	0.0%	
COASTAL LEASING A.1.5	\$0	\$0	\$0	0.0%	
ASSET MANAGEMENT A.2.1	\$0	\$0	\$0	0.0%	
SURVEYING AND APPRAISAL A.2.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, ENHANCE STATE ASSETS</b>	<b>\$306,991</b>	<b>\$312,586</b>	<b>\$5,595</b>	<b>1.8%</b>	
COASTAL MANAGEMENT B.1.1	\$22,521,057	\$20,006,550	(\$2,514,507)	(11.2%)	The Introduced Bill includes a decrease of \$2.5 million in Federal Funds reflecting a \$5.1 million decrease for one-time American Recovery and Reinvestment Act funding for a West Galveston Bay Estuarine project, a decrease of \$2.1 million in Gulf of Mexico Energy Security Act (GOMESA) funding, which is not expected in 2012-13, and an expected increase in Coastal Impact Assistance Funding (CIAP) funding of \$4.7 million in 2012-13 as compared to 2010-11.
COASTAL EROSION CONTROL GRANTS B.1.2	\$28,853,939	\$8,000,000	(\$20,853,939)	(72.3%)	The Introduced Bill includes a decrease of \$20.8 million in Federal Funds due to the one-time appropriation of reimbursements from the Federal Emergency Management Agency for debris removal in 2010-11 as authorized in House Bill 4586, 81st Legislature.
OIL SPILL RESPONSE B.2.1	\$0	\$0	\$0	0.0%	
OIL SPILL PREVENTION B.2.2	\$371,193	\$8,910	(\$362,283)	(97.6%)	The Introduced Bill includes a decrease of \$0.4 million in Federal Funds, reflecting a one-time reimbursement from the Oil Liability Trust Fund for an oil spill for which a responsible party could not be found.
<b>Total, Goal B, PROTECT THE COASTAL ENVIRONMENT</b>	<b>\$51,746,189</b>	<b>\$28,015,460</b>	<b>(\$23,730,729)</b>	<b>(45.9%)</b>	
VETERANS' LOAN PROGRAMS C.1.1	\$0	\$0	\$0	0.0%	
VETERANS' HOMES C.1.2	\$0	\$0	\$0	0.0%	
VETERANS' CEMETERIES C.1.3	\$12,697,087	\$2,046,000	(\$10,651,087)	(83.9%)	The Introduced Bill includes a decrease of \$10.7 million in Federal Funds due to the completion of the State Cemetery in Corpus Christi, which is expected to begin operations in fiscal year 2012.
<b>Total, Goal C, VETERANS' LAND BOARD (VLB)</b>	<b>\$12,697,087</b>	<b>\$2,046,000</b>	<b>(\$10,651,087)</b>	<b>(83.9%)</b>	

Section 2

General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
Grand Total, All Strategies	\$64,750,267	\$30,374,046	(\$34,376,221)	(53.1%)	

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$6,800,487	\$7,021,749	\$221,262	3.3%	The Introduced Bill includes an increase of \$0.4 million out of the PSF No. 44 reflecting the shift of General Revenue costs of \$0.5 million to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2), a 5 percent administrative reduction totaling \$0.6 million (See Selected Fiscal and Policy Issue No. 3), and the anticipated filling of audit staff vacancies (\$0.4 million increase) to increase revenues to the PSF No. 44; and a decrease of \$0.1 million in Appropriated Receipts reflecting one-time donations for the Save Texas History program in 2010-11.
ENERGY MARKETING A.1.2	\$6,656,659	\$2,197,692	(\$4,458,967)	(67.0%)	The Introduced Bill includes an increase of \$0.7 million out of the PSF No. 44, reflecting the shift of \$0.8 million in General Revenue costs to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2) and a 5 percent administrative reduction totaling \$0.1 million (See Selected Fiscal and Policy Issue No. 3); a decrease of \$5.0 million out of Interagency Contracts, reflecting a one-time Texas Emissions Reduction Plan grant from the Texas Commission on Environmental Quality in 2010-11; and a \$0.1 decrease out of Appropriated Receipts, reflecting one-time donations and sponsorship proceeds for the Adopt a Map and Adopt a Document programs received during 2010-11.
DEFENSE AND PROSECUTION A.1.3	\$6,647,249	\$6,272,322	(\$374,927)	(5.6%)	The Introduced Bill includes a decrease of \$0.4 million in Appropriated Receipts, reflecting an anticipated decrease in litigation costs in 2012-13 as compared to 2010-11.
UPLANDS LEASING A.1.4	\$1,601,787	\$1,560,836	(\$40,951)	(2.6%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)
COASTAL LEASING A.1.5	\$4,510,372	\$4,145,086	(\$365,286)	(8.1%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
ASSET MANAGEMENT A.2.1	\$14,760,686	\$12,992,226	(\$1,768,460)	(12.0%)	The Introduced Bill includes a decrease of \$1.8 million out of the PSF No. 44 reflecting a one-time grant to the University of Texas Bureau of Economic Geology in 2010-11 for carbon capture and storage (\$1.2 million decrease), one-time hurricane cleanup costs (\$0.6 million), the shift of \$0.7 million in General Revenue costs to the PSF No. 44 (See Selected Fiscal and Policy Issue No. 2), and a 5 percent administrative reduction totaling \$0.6 million. (See Selected Fiscal and Policy Issue No. 3.)
SURVEYING AND APPRAISAL A.2.2	\$1,539,806	\$1,412,719	(\$127,087)	(8.3%)	The Introduced Bill includes a decrease out of the PSF No. 44, reflecting a 5 percent administrative reduction. (See Selected Fiscal and Policy Issue No. 3.)
<b>Total, Goal A, ENHANCE STATE ASSETS</b>	<b>\$42,517,046</b>	<b>\$35,602,630</b>	<b>(\$6,914,416)</b>	<b>(16.3%)</b>	
COASTAL MANAGEMENT B.1.1	\$11,022,408	\$1,671,394	(\$9,351,014)	(84.8%)	The Introduced Bill includes a decrease of \$9.4 million in Other Funds including: a \$9.5 million in Interagency Contracts, which includes a decrease of \$6.1 million because of a one-time grant for the restoration of the Bluewater Highway from the Governor's Division of Emergency Management in 2010-11, a decrease of \$3.3 million in funds derived from the Interagency Contract with the Department of Parks and Wildlife (TPWD--Sporting Goods Sales Tax Allocation), including a shift of \$2.1 million in funds to Strategy B.1.2, Coastal Erosion Control, to increase coastal erosion control projects, and a decrease of \$1.2 million related to the 6 percent recommended reduction in funding derived from the Interagency Contract with the TPWD (See Selected Fiscal and Policy Issue No. 1); and a \$0.2 million increase in Appropriated Receipts, reflecting a shift in indirect costs from other strategies to better reflect support activities.
COASTAL EROSION CONTROL GRANTS B.1.2	\$22,650,210	\$26,750,524	\$4,100,314	18.1%	The Introduced Bill includes an increase of \$4.1 million in Other Funds including: an increase of \$2.1 million in Interagency Contracts, reflecting the shift of funds from Strategy B.1.1, Coastal Management, to provide more funding for coastal erosion construction projects; and an increase of \$1.9 million in Appropriated Receipts, reflecting a projection that the agency will increase the number coastal erosion projects in which it will share costs with local governments.
OIL SPILL RESPONSE B.2.1	\$568	\$0	(\$568)	(100.0%)	
OIL SPILL PREVENTION B.2.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, PROTECT THE COASTAL ENVIRONMENT</b>	<b>\$33,673,186</b>	<b>\$28,421,918</b>	<b>(\$5,251,268)</b>	<b>(15.6%)</b>	

Section 2

**General Land Office and Veterans' Land Board  
Summary of Recommendations--Senate, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
VETERANS' LOAN PROGRAMS C.1.1	\$23,297,391	\$23,851,904	\$554,513	2.4%	The Introduced Bill includes an increase out of the Veterans Land Program Administration Fund No. 522, reflecting a shift of indirect costs to this strategy to better reflect the distribution of such activities.
VETERANS' HOMES C.1.2	\$5,725,867	\$5,344,460	(\$381,407)	(6.7%)	The Introduced Bill includes a decrease out of the Veterans Land Program Administration Fund No. 522 reflecting the elimination of \$0.3 million in Capital Budget funding for the PC/Server Rotation Resiliency Capital Budget project (See Selected Fiscal and Policy Issue No. 5) and the shift of \$0.1 million in indirect support costs to the Oil Spill Response strategy to better reflect the distribution of indirect services.
VETERANS' CEMETERIES C.1.3	\$10,665,039	\$10,951,683	\$286,644	2.7%	The Introduced Bill includes an increase of \$0.4 million out of the Texas Veterans' Homes Administration Fund No. 374, reflecting increased operating costs as the State Cemetery in Corpus Christi is expected to begin operations in fiscal year 2012; and a decrease of \$0.1 million out of the Veterans Land Program Administration Fund No. 522, reflecting the elimination of \$0.2 million in Capital Budget funding for the PC/Server Rotation and Resiliency and Aggregate Hardware/Software Capital Budget projects (See Selected Fiscal and Policy Issue No. 5), and the shift of support costs to this strategy to better reflect the distribution of indirect services (\$0.2 million increase).
<b>Total, Goal C, VETERANS' LAND BOARD (VLB)</b>	<b>\$39,688,297</b>	<b>\$40,148,047</b>	<b>\$459,750</b>	<b>1.2%</b>	
<b>Grand Total, All Strategies</b>	<b>\$115,878,529</b>	<b>\$104,172,595</b>	<b>(\$11,705,934)</b>	<b>(10.1%)</b>	

## Section 3

### General Land Office and Veterans' Land Board Selected Fiscal and Policy Issues

1. **Coastal Erosion Program Funding**—The introduced bill includes a 6 percent reduction in Interagency Contracts funding from the Parks and Wildlife Department (TPWD) derived from the Sporting Goods Sales Tax Allocation (General Revenue) for coastal management and erosion control projects. The reduction totals \$1.5 million as compared to the 2010-11 biennium, and it is expected to result in a 6 percent reduction in the amount of coastal erosion response construction projects the agency will be able to complete during 2012-13. Although this reduction will not result in a General Revenue savings to the General Land Office (GLO), a savings of \$1.5 million in General Revenue will be realized by the TPWD.
2. **Replace General Revenue with Permanent School Fund No. 44 Appropriations**—The introduced bill includes the replacement of General Revenue in all functional areas related to management of the Permanent School Fund (PSF) land and assets with PSF No. 44 funding (Other Funds). This recommendation results in a savings of \$2.4 million out of the General Revenue Fund as compared to 2010-11 expended levels; however, because of additional administrative reductions and reductions to Capital Budget Items, an increase of only \$1.9 million out of the PSF No. 44 is included to replace the \$2.4 million General Revenue reduction. (See Selected Fiscal and Policy Issue No. 4 and No. 5.)
3. **Five Percent Administrative Reduction, PSF**—The introduced bill provides for an agency-wide 5 percent administrative reduction for items paid out of the PSF No. 44, which totals \$1.3 million in savings, partially offsetting the increase resulting from the replacement of General Revenue with PSF No. 44 funds. (See Selected Fiscal and Policy Issue No. 2.) It is expected that these reductions will not have a significant impact on agency operations.
4. **Five Percent Administrative Reduction, GR and GR-Dedicated Funds**—The introduced bill also provide for the following 5 percent administrative reductions: out of the General Revenue Fund in the Coastal Management and Coastal Erosion Control program areas (decrease of \$68,146) and out of the General Revenue Dedicated Coastal Protection Account No. 27 for Coastal Leasing, Coastal Management, and Coastal Erosion Control program areas (decrease of \$73,592).
5. **Capital Budget Reductions**—The introduced bill includes the following reductions totaling \$1.6 million to Capital Budget items included in the agency's base request:
  - a) Elimination of the PC/Server Rotation and Resiliency project, which will result in the agency not being able to purchase new computers and servers for two-years. This will result in a savings of \$0.8 million--\$260,000 from each the General Revenue-Dedicated Coastal Protection Account No. 27, the Permanent School Fund No. 44, and the Veterans Land Administration Fund No. 522 (Other Funds).
  - b) Elimination of the Capital Aggregated Hardware/Software project, which will require the agency to delay purchase of new software and hardware for two years. Elimination of this project will result in a savings of \$196,532 to the PSF No. 44 and a saving of \$41,868 to the Veterans Land Administration Fund No. 522.
  - c) Elimination of the Vehicles Replacement and Boats Replacement Capital Budget projects, requiring the agency to delay purchases of such vehicles until the 2014-15 biennium. Elimination of these projects will result in a savings of \$256,650 to the

## Section 3

General Revenue-Dedicated Coastal Protection Account No. 27 and a savings of \$48,000 to the PSF No. 44.

- d) A 25 percent reduction to the following projects: Gas Management System, Agency Land Program, Business Integration, Business Analytics, and Combined Systems Upgrade. Reducing these projects budgets is expected to result in a delay in the completion of the projects by six months, and it is expected to result in a savings of \$234,151 to the PSF No. 44.
- e) A 5 percent reduction to the Oily Bilge Reclamation Systems and Equipment Replacement projects, reflecting the 5 percent administrative reduction out of the General Revenue-Dedicated Coastal Protection Account No. 27. The reductions will result in a savings of \$11,090 and are not expected to have a significant impact on project completion or implementation.

6. **Maintain Current Funding Levels**—The introduced bill provides funding equal to 2010-11 expended/budgeted levels for the following programs:

- a) Energy Marketing, Archives and Records, and Defense and Prosecution of Mineral Lease Claims/Cases because all funding for the programs is from Appropriated Receipts (Other Funds);
- b) Research and Development and Response and Maintenance costs for Oil Spill Response, because reductions to these programs could affect the state's ability to provide an immediate response to oil spills that could threaten health and safety; and
- c) Veterans Loan Programs, State Veterans' Homes, and Veterans Cemeteries, except for reductions related to the elimination of the PC/Server Rotation and Resiliency and Aggregate Hardware/Software Capital Budget Projects, because these programs are funded solely through Federal Funds and Other Funds.

7. **Reductions for One-Time Appropriation Items**—The introduced bill does not include funding for the following one-time items that occurred in 2010-11:

- a) \$15.5 million out of the General Revenue Fund including: \$10.0 million for structure buyouts in hurricane-damaged areas as authorized by House Bill 4586, 81<sup>st</sup> Legislature, and \$5.5 million for the closure of Rollover Pass on the Bolivar Peninsula;
- b) \$39.1 million in Federal Funds, including \$20.8 million in one-time appropriations of reimbursements from the Federal Emergency Management Agency (FEMA) for debris removal, as authorized in House Bill 4586, 81<sup>st</sup> Legislature, which the agency is required by the legislature to repay to General Revenue; \$10.7 million in funding for the State Cemetery in Corpus Christi, which is expected to be completed in 2012; \$5.1 million for an American Recovery and Reinvestment Act grant for a West Galveston Bay Estuarine project; \$2.1 million for a Gulf of Mexico Energy Security Act grant; and \$0.4 million from a reimbursement from the Oil Liability Trust Fund for an oil spill for which a responsible party could not be found;
- c) \$11.1 million out of Interagency Contracts, including: \$6.1 million for a grant from the Governor's Division of Emergency Management for the restoration of the Blue Water Highway; and \$5.0 million for a Texas Emissions Reduction Plan grant from the Commission on Environmental Quality; and
- d) \$1.8 million out of the PSF No. 44 including \$1.2 million for a grant to the University of Texas Bureau of Economic Geology for carbon capture and storage; and \$0.6 million for hurricane cleanup costs.



**Section 3**

**General Land Office and Veteran's Land Board  
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	605.6	610.6	611.6	598.2	598.2
Actual/Budgeted	608.4	577.9	611.6	NA	NA

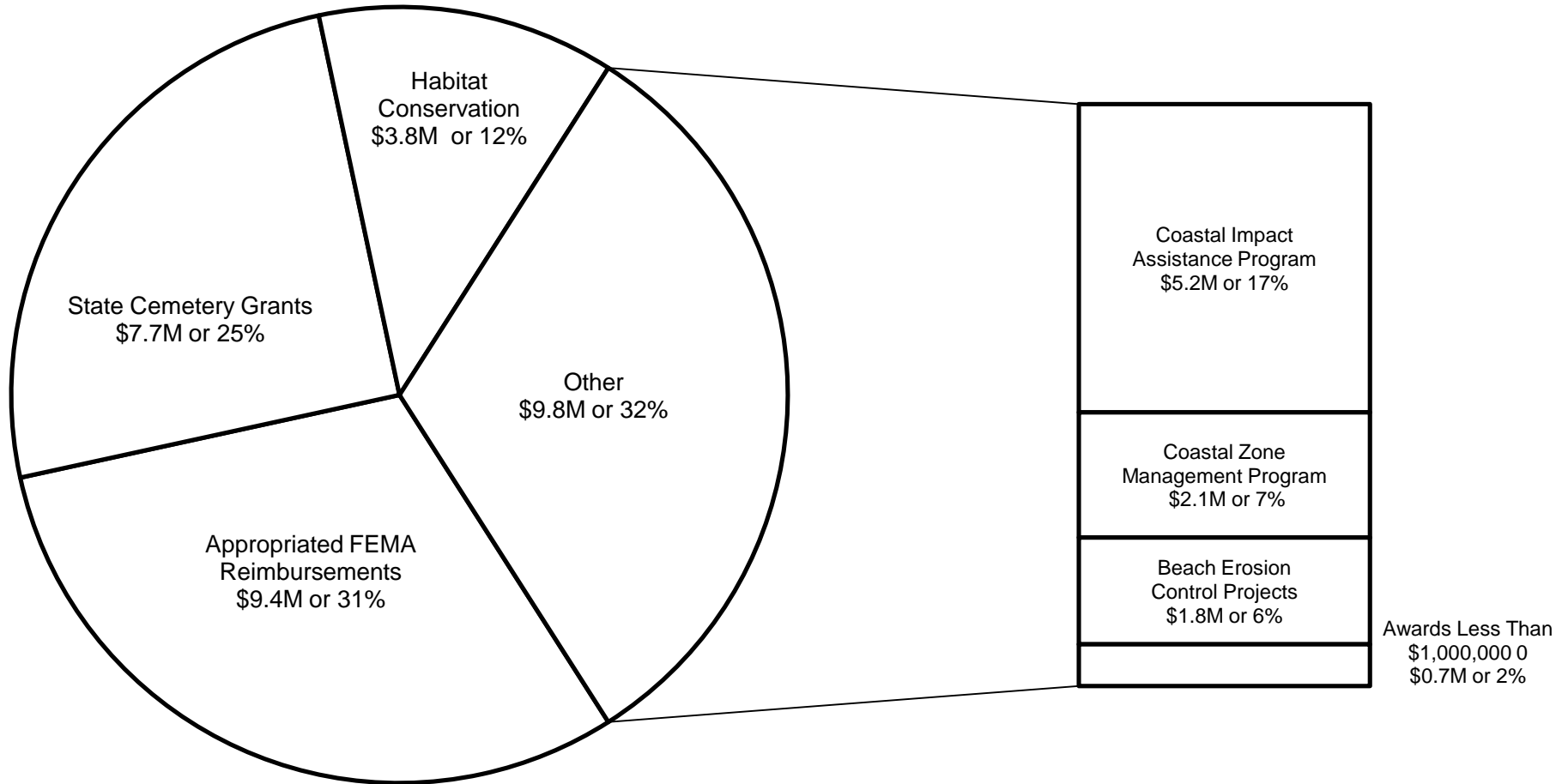
The FTE levels for 2012-13 represent a decrease of 13.4 FTEs as compared to 2011 budgeted levels. However, the recommended total is actually 20.3 FTEs higher than the annual average for 2010.

The following is a listing of FTE reductions by strategy included in the baseline bill as compared to 2011 budgeted levels.

<b>Strategy</b>	<b>FTEs</b>
Strategy A.1.1, Energy Lease Management and Revenue Audit	(3.0)
Strategy A.1.2, Energy Marketing	(0.2)
Strategy A.1.4, Uplands Leasing and Inspections	(0.6)
Strategy A.1.5, Coastal Leasing	(1.5)
Strategy A.2.1, Asset Management	(4.5)
Strategy A.2.2, Survey and Appraisal	(0.6)
Strategy B.2.2, Oil Spill Prevention	(3.0)
<b>Total</b>	<b>(13.4)</b>

Section 3

**General Land Office and Veterans' Land Board**  
*Summary of Federal Funds (Estimated 2010)*  
**TOTAL = \$30.7M**



**General Land Office and Veterans' Land Board**

*Summary of Federal Funds (Estimated 2010)*

**TOTAL = \$30.7M**

<b>CFDA</b>	<b>Exp 2009</b>	<b>Est 2010</b>	<b>Bud 2011</b>	<b>Req 2012</b>	<b>Req 2013</b>	<b>Rec 2012</b>	<b>Rec 2013</b>	<b>Est 2010 % total</b>
Coastal Zone Management Administration	\$2.0	\$2.1	\$4.3	\$3.4	\$3.0	\$3.4	\$3.0	6.9%
Habitat Conservation	\$0.1	\$3.8	\$1.4	\$0.0	\$0.0	\$0.0	\$0.0	12.4%
Beach Erosion Control Projects	\$2.4	\$1.8	\$5.0	\$3.0	\$5.0	\$1.5	\$2.5	5.8%
Mineral Management Service	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	0.5%
MMA Sand Source Project	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Coastal Impact Asst. Program 2	\$0.4	\$0.5	\$3.5	\$4.4	\$7.1	\$4.4	\$7.1	1.5%
CIAP Adolph Thomae Park Shoreline Restoration	\$0.0	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	2.6%
CIAP Derelict Structure/Vessel Clean-up	\$0.0	\$0.0	\$0.0	\$0.9	\$0.0	\$0.9	\$0.0	0.0%
CIAP Digital Aerial Photography of TX Coast	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP Erosion Protection for Pelican Island	\$0.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	3.3%
CIAP Goose Island Shoreline Stabilization	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP Guadalupe River Delta Acquisition	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP Indianola/Magnolia Beach Restoration - Phase II	\$0.0	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	0.5%
CIAP Mad Island Shoreline Protection & Restoration	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.2%
CIAP New Land Park Acquisition	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP PU&T Dredged Material in Placement Areas	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	0.4%
CIAP San Luis Pass Inlet Management Study	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP Sediment Sources Investigations	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.2%
CIAP Sea Turtle Conservation Near PI National Seashore	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.3%
CIAP Shoreline Changes & Beach/Dune	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.7%
CIAP TX Digital Aerial Photography Archive	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
CIAP Texas Integrated Ocean Observing System - Planning Phase	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.1%
CIAP Texas Public Wetlands Initiative	\$0.0	\$0.0	\$0.5	\$0.4	\$0.0	\$0.4	\$0.0	0.0%
GOMESA Section 181	\$0.0	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	6.9%
State Cemetery Grants	\$5.6	\$7.7	\$5.0	\$2.0	\$0.0	\$2.0	\$0.0	25.1%
Surveys, Studies, Invest, Demos, Related CAA	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Beach Program Development Grant	\$0.4	\$0.2	\$0.5	\$0.4	\$0.4	\$0.4	\$0.4	0.8%
State Access to Oil Spill Liability Trust Fund	\$0.1	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	1.2%
Public Assistance Grants	\$0.1	\$9.4	\$12.7	\$0.0	\$0.0	\$0.0	\$0.0	30.5%
<b>TOTAL:</b>	<b>\$12.2</b>	<b>\$30.7</b>	<b>\$34.0</b>	<b>\$14.7</b>	<b>\$15.6</b>	<b>\$13.2</b>	<b>\$13.1</b>	

**Section 4**

**General Land Office (GLO)  
Performance Review and Policy Report Highlights**

<b>Reports &amp; Recommendations</b>	<b>GEER Report Page</b>	<b>Savings/ (Cost)</b>	<b>Gain/ (Loss)</b>	<b>Fund Type</b>	<b>Is included in the Introduced Bill</b>	<b>Action Required During Session</b>
<b>Improve Reporting for the Coastal Erosion Protection and Response Act</b>	365					
1. Add a new performance measure to the General Appropriations Act that would require the General Land Office and Veterans' Land Board to report the economic benefits of state dollars spent on projects funded by the Coastal Erosion Planning and Response Act.					Performance Measure	
<b>Require All Beneficiaries to Help Fund the Coastal Erosion Planning and Response Act</b>	373					
1. Amend statute to create sources of funding for the Coastal Erosion Planning and Response Act via a commercial landing fee, Outer Continental Shelf Settlement Monies, and Unclaimed Motorboat Fuels Tax Refunds. Include a contingency appropriation rider that eliminates the transfer of Sporting Goods Sales Tax from Texas Parks and Wildlife (TPWD) to the General Land Office and Veterans' Land Board contingent upon the passage of legislation dedicating revenue to the Coastal Erosion Response Account. Savings shown are calculated based on 2010-11 appropriation levels.		\$10,066,330 (\$10,500,956)	\$10,500,956	GR GR-D		Amend statute to create funding sources and adopt contingency rider

## Section 5

### General Land Office and Veterans' Land Board Rider Highlights

7. **Appropriation: Defense of Title to Permanent School Fund Real Property and Prosecution of Mineral Lease Claims**—Appropriated Receipts amounts are split evenly across fiscal years of the biennium providing \$2,070,000 in each fiscal year, rather than having \$2,650,000 in the first year and \$1,490,000 in the second, because receipt from the prosecution of mineral lease claims does not necessarily vary from fiscal year to fiscal year.
15. **Appropriation: Receipts and Account Balances for Surface Damages**—Amounts included out of the Permanent School Fund (PSF) No. 44 in receipts collected as surface damages are reduced by \$25,000 in each fiscal year to reflect the 5 percent administrative reduction recommended for all PSF No. 44-funded programs (See Selected Fiscal and Policy Issue No. 3), and language is added providing for surface damage collections to be used to maintain and removing debris from public beaches within threatened areas, allowing the agency to access funds for cleanup prior to the receipt of any disaster contingency funds or federal disaster funding.
16. **Marketing, Acquisition, Disposition, and Management of Real Property Purchased by the Permanent School Fund**—Amounts included out of the PSF No. 44 for marketing, acquisition, disposition, and management of real property are reduced by \$80,000 in each fiscal year to reflect the 5 percent administrative reduction recommended for all PSF No. 44-funded programs. (See Selected Fiscal and Policy Issue No. 3.)
20. **Appropriation: Coastal Management and Coastal Erosion Control**—Amounts in the rider derived from an Interagency Contract with the Parks and Wildlife Department are reduced to reflect the 6 percent recommended reduction for coastal erosion and coastal management projects. (See Selected Fiscal and Policy Issue No. 1.)

**Section 6**

**General Land Office and Veterans' Land Board  
Items not Included in Recommendations**

	<b>2012-13 Biennial Total</b>	
	<b>GR &amp; GR- Dedicated</b>	<b>All Funds</b>
1. Direct appropriation of \$22.5 million in General Revenue for coastal erosion programs instead of Interagency Contract funding with the Texas Department of Parks and Wildlife (TPWD) from proceeds of the Sporting Goods Sales Tax Allocation (General Revenue). This item would not cost the appropriations bill because the increase in General Revenue appropriations at the General Land Office would be offset by a decrease at the TPWD.	\$ -	\$ -
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ -</b>	<b>\$ -</b>