

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

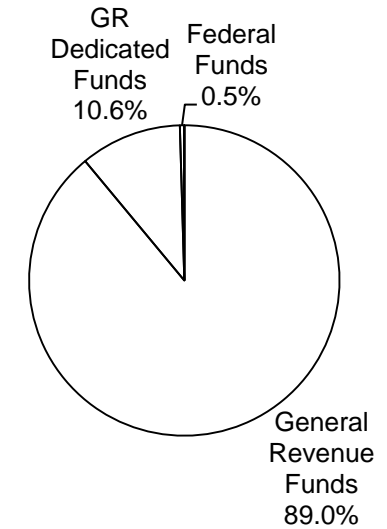
Page I-24

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	\$799,105,866	\$751,011,167	\$656,982,078	(\$94,029,089)	(12.5%)
GR Dedicated Funds	\$66,481,386	\$46,235,289	\$78,077,996	\$31,842,707	68.9%
<i>Total GR-Related Funds</i>	<i>\$865,587,252</i>	<i>\$797,246,456</i>	<i>\$735,060,074</i>	<i>(\$62,186,382)</i>	<i>(7.8%)</i>
Federal Funds	\$288,082,732	\$292,538,401	\$3,401,410	(\$289,136,991)	(98.8%)
Other	\$0	\$1,471,672	\$0	(\$1,471,672)	(100.0%)
All Funds	\$1,153,669,984	\$1,091,256,529	\$738,461,484	(\$352,795,045)	(32.3%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	25.0	25.0	25.0	0.0	0.0%

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

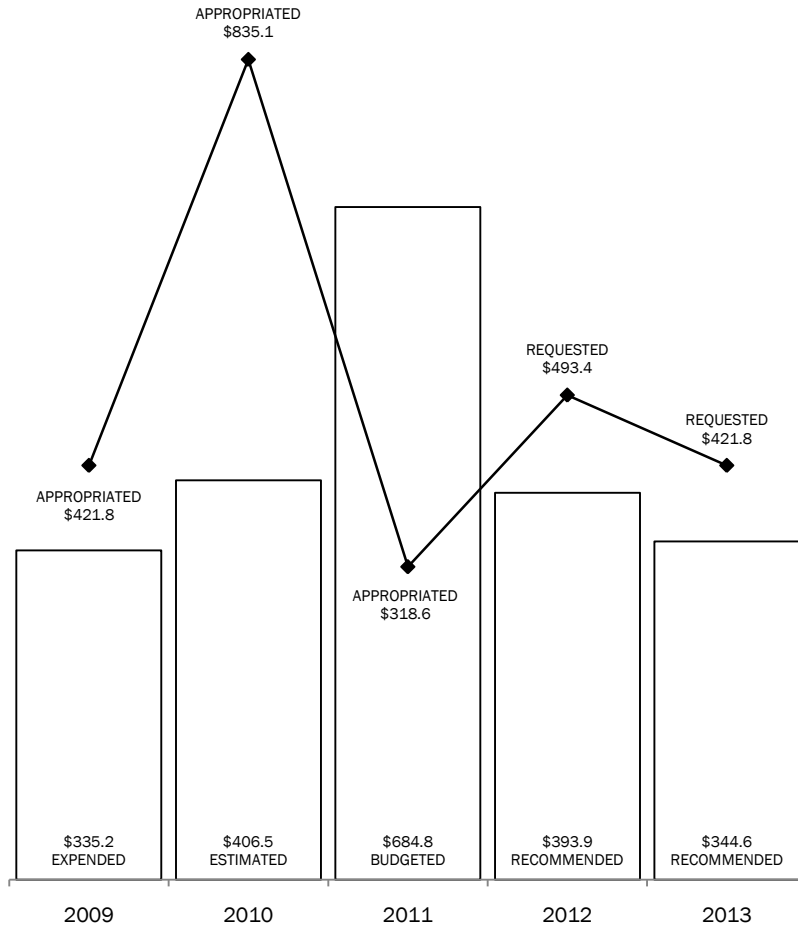
Fiscal Programs - Comptroller of Public Accounts

2012-2013 BIENNIUM

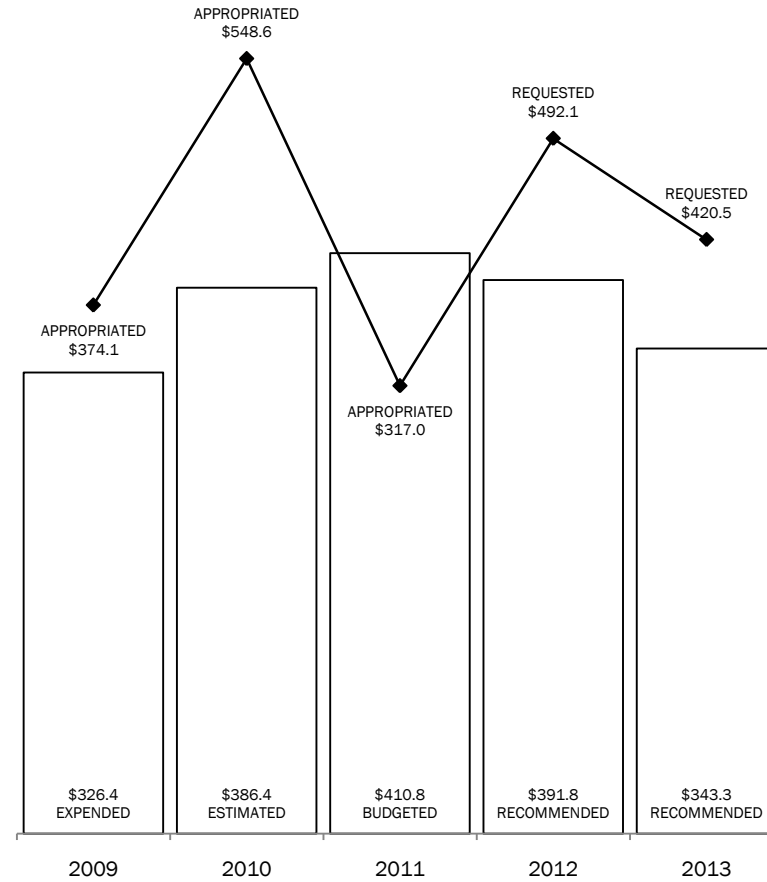
IN MILLIONS

TOTAL= \$738.5 MILLION

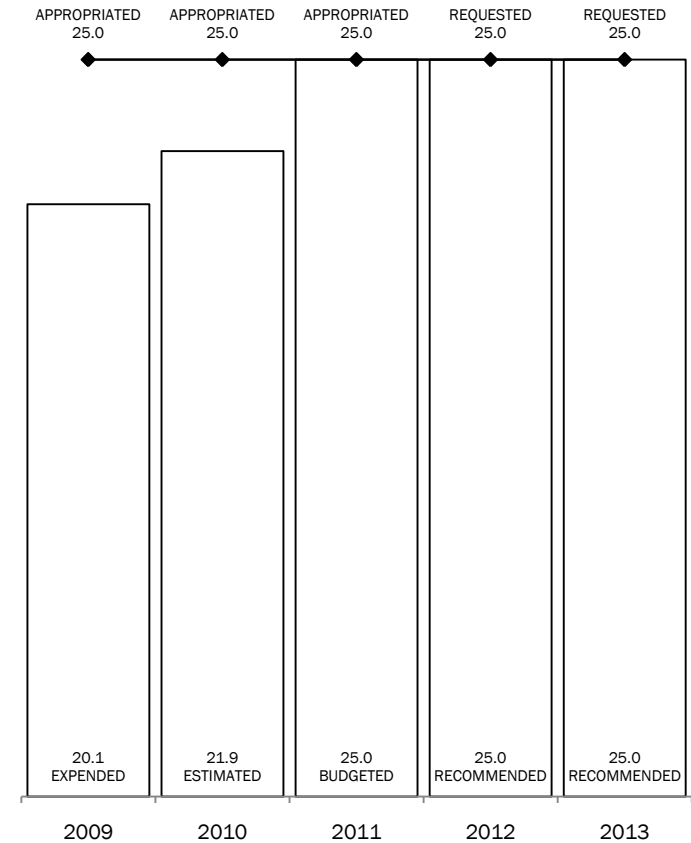
ALL FUNDS



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



FULL-TIME-EQUIVALENT POSITIONS



**Fiscal Programs - 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 elimination of pass-through funds to local entities for road construction and maintenance, underage tobacco program, local continuing education grants, distribution of gross weight/axle permit fees, and the Jobs and Education for Texans grant program.
					Reductions are included to reduce the rate of reimbursements of mixed beverage tax receipts to counties and cities from 10.7143 percent to 8.3065 percent (22.5 percent reduction) as well as reductions of funding to tax compliance programs due to completion of treasury and tax system upgrades in 2010-11.
					Unclaimed property payments incorporate reductions for the collection of an additional 8.5 percent handling fee, contingent upon passage of legislation requiring collection of the fee at the proposed rate.
VOTER REGISTRATION A.1.1	\$5,852,175	\$6,000,000	\$147,825	2.5%	
MISCELLANEOUS CLAIMS A.1.2	\$32,295,654	\$13,000,000	(\$19,295,654)	(59.7%)	
REIMBURSEMENT- COMMITMENT HEARINGS A.1.3	\$2,000	\$2,000	\$0	0.0%	
REIMBURSE - BEVERAGE TAX A.1.4	\$261,255,000	\$246,020,807	(\$15,234,193)	(5.8%)	
JUDGMENTS AND SETTLEMENTS A.1.5	\$2,500,000	\$2,500,000	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.6	\$6,116,581	\$7,013,207	\$896,626	14.7%	
LATERAL ROAD FUND DISTRICTS A.1.7	\$14,600,000	\$0	(\$14,600,000)	(100.0%)	
UNCLAIMED PROPERTY A.1.8	\$340,299,500	\$367,090,922	\$26,791,422	7.9%	
UNDERAGE TOBACCO PROGRAM A.1.9	\$4,000,000	\$0	(\$4,000,000)	(100.0%)	
LOCAL CONTINUING EDUCATION GRANTS A.1.10	\$11,997,108	\$0	(\$11,997,108)	(100.0%)	
ADVANCED TAX COMPLIANCE A.1.11	\$21,319,550	\$14,231,148	(\$7,088,402)	(33.2%)	
SUBSEQUENT CVC CLAIMS A.1.12	\$66,003	\$30,000	(\$36,003)	(54.5%)	
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.13	\$13,136,564	\$0	(\$13,136,564)	(100.0%)	
JOBS AND EDUCATION FOR TEXANS A.1.14	\$25,000,000	\$0	(\$25,000,000)	(100.0%)	
MAJOR EVENTS TRUST FUND A.1.15	\$25,000,000	\$0	(\$25,000,000)	(100.0%)	
Total, Goal A, CPA - FISCAL PROGRAMS	\$763,440,135	\$655,888,084	(\$107,552,051)	(14.1%)	
ENERGY OFFICE B.1.1	\$294,775,562	\$5,644,728	(\$289,130,834)	(98.1%)	
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$33,040,832	\$76,928,672	\$43,887,840	132.8%	
Total, Goal B, ENERGY OFFICE	\$327,816,394	\$82,573,400	(\$245,242,994)	(74.8%)	

**Fiscal Programs - 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	\$1,091,256,529	\$738,461,484	(\$352,795,045)	(32.3%)	

Fiscal Programs - 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
VOTER REGISTRATION A.1.1	\$5,852,175	\$6,000,000	\$147,825	2.5%	Recommendations maintain 2010-11 appropriation levels for voter registration payments to counties for new, modified and cancelled registrations.
MISCELLANEOUS CLAIMS A.1.2	\$30,805,803	\$13,000,000	(\$17,805,803)	(57.8%)	Recommendations reflect anticipated decrease of miscellaneous claims payments due to increased payment of claims for wrongful imprisonment during the 2010-11 biennium.
REIMBURSEMENT- COMMITMENT HEARINGS A.1.3	\$2,000	\$2,000	\$0	0.0%	
REIMBURSE - BEVERAGE TAX A.1.4	\$261,255,000	\$246,020,807	(\$15,234,193)	(5.8%)	Recommendations include reductions of mixed beverage tax reimbursements to cities and counties based on rate of 8.3065 percent and estimated loss of revenue based on implementation of proposed recommendations of the Government Effectiveness and Efficiency Report <i>Repeal Sunday Liquor Sales Restrictions to Generate Additional Revenue</i> . Rate of reimbursement is currently set at statutory maximum of 10.7143 percent.
JUDGMENTS AND SETTLEMENTS A.1.5	\$2,500,000	\$2,500,000	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.6	\$6,116,581	\$7,013,207	\$896,626	14.7%	Recommendations include increased payments to counties for University of Texas endowment lands based on anticipated increases in tax billings. Payments are required by the Texas Constitution, Article 7, Section 16.
LATERAL ROAD FUND DISTRICTS A.1.7	\$14,600,000	\$0	(\$14,600,000)	(100.0%)	Recommendations reflect elimination of distributions to counties for construction and maintenance of county roads.
UNCLAIMED PROPERTY A.1.8	\$340,299,500	\$367,090,922	\$26,791,422	7.9%	Recommendations provide for anticipated payments of unclaimed property claims and reflect increase in rate of handling fee from 1.5 percent to 10 percent deducted from payment of claims over \$100. Increase in handling fee rate is contingent on passage of legislation to set the fee at the recommended rate. It is estimated that the increased handling fee would generate \$27.7 million in new revenue.
UNDERAGE TOBACCO PROGRAM A.1.9	\$4,000,000	\$0	(\$4,000,000)	(100.0%)	Recommendations eliminate underage tobacco program providing grants to local law enforcement to reduce minor access to and consumption of tobacco products.
LOCAL CONTINUING EDUCATION GRANTS A.1.10	\$0	\$0	\$0	0.0%	

Fiscal Programs - 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
ADVANCED TAX COMPLIANCE A.1.11	\$21,319,550	\$14,231,148	(\$7,088,402)	(33.2%)	Recommendations include reductions due to completion of treasury system modernization and tax system modernization in 2010-11 offset by increases to provide for system maintenance.
SUBSEQUENT CVC CLAIMS A.1.12	\$0	\$0	\$0	0.0%	
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.13	\$13,136,564	\$0	(\$13,136,564)	(100.0%)	Recommendations include elimination of gross weight/axle permit fees distributed to counties.
JOBS AND EDUCATION FOR TEXANS A.1.14	\$25,000,000	\$0	(\$25,000,000)	(100.0%)	Recommendations reflect elimination of Jobs and Education for Texans grant program.
MAJOR EVENTS TRUST FUND A.1.15	\$25,000,000	\$0	(\$25,000,000)	(100.0%)	Recommendations reflect elimination of one-time funding for the Major Events Trust Fund. Unexpended balance authority is provided for agency to carry forward funds into 2012.
Total, Goal A, CPA - FISCAL PROGRAMS	\$749,887,173	\$655,858,084	(\$94,029,089)	(12.5%)	
ENERGY OFFICE B.1.1	\$1,123,994	\$1,123,994	\$0	0.0%	
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$0	\$0	\$0	0.0%	
Total, Goal B, ENERGY OFFICE	\$1,123,994	\$1,123,994	\$0	0.0%	
Grand Total, All Strategies	\$751,011,167	\$656,982,078	(\$94,029,089)	(12.5%)	

Fiscal Programs - 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
VOTER REGISTRATION A.1.1	\$0	\$0	\$0	0.0%	
MISCELLANEOUS CLAIMS A.1.2	\$12,022	\$0	(\$12,022)	(100.0%)	
REIMBURSEMENT- COMMITMENT HEARINGS A.1.3	\$0	\$0	\$0	0.0%	
REIMBURSE - BEVERAGE TAX A.1.4	\$0	\$0	\$0	0.0%	
JUDGMENTS AND SETTLEMENTS A.1.5	\$0	\$0	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.6	\$0	\$0	\$0	0.0%	
LATERAL ROAD FUND DISTRICTS A.1.7	\$0	\$0	\$0	0.0%	
UNCLAIMED PROPERTY A.1.8	\$0	\$0	\$0	0.0%	
UNDERAGE TOBACCO PROGRAM A.1.9	\$0	\$0	\$0	0.0%	
LOCAL CONTINUING EDUCATION GRANTS A.1.10	\$11,997,108	\$0	(\$11,997,108)	(100.0%)	Recommendations include elimination of local continuing education grants funded through the General Revenue-Dedicated Law Enforcement Officer Standards and Education Account 116.
ADVANCED TAX COMPLIANCE A.1.11	\$0	\$0	\$0	0.0%	
SUBSEQUENT CVC CLAIMS A.1.12	\$66,003	\$30,000	(\$36,003)	(54.5%)	Recommendations reflect reduction in anticipated payments of claims for restitution from crime victims from the General Revenue-Dedicated Compensation to Victims of Crime Auxiliary Account 494. Account does not impact certification of the appropriations bill.
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.13	\$0	\$0	\$0	0.0%	
JOBS AND EDUCATION FOR TEXANS A.1.14	\$0	\$0	\$0	0.0%	
MAJOR EVENTS TRUST FUND A.1.15	\$0	\$0	\$0	0.0%	
Total, Goal A, CPA - FISCAL PROGRAMS	\$12,075,133	\$30,000	(\$12,045,133)	(99.8%)	
ENERGY OFFICE B.1.1	\$1,119,324	\$1,119,324	\$0	0.0%	
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$33,040,832	\$76,928,672	\$43,887,840	132.8%	Recommendations reflect additional funds available from the Oil Overcharge Account 5005 which do not impact certification of the appropriations bill.
Total, Goal B, ENERGY OFFICE	\$34,160,156	\$78,047,996	\$43,887,840	128.5%	
Grand Total, All Strategies	\$46,235,289	\$78,077,996	\$31,842,707	68.9%	

Fiscal Programs - 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
VOTER REGISTRATION A.1.1	\$0	\$0	\$0	0.0%	
MISCELLANEOUS CLAIMS A.1.2	\$6,157	\$0	(\$6,157)	(100.0%)	
REIMBURSEMENT- COMMITMENT HEARINGS A.1.3	\$0	\$0	\$0	0.0%	
REIMBURSE - BEVERAGE TAX A.1.4	\$0	\$0	\$0	0.0%	
JUDGMENTS AND SETTLEMENTS A.1.5	\$0	\$0	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.6	\$0	\$0	\$0	0.0%	
LATERAL ROAD FUND DISTRICTS A.1.7	\$0	\$0	\$0	0.0%	
UNCLAIMED PROPERTY A.1.8	\$0	\$0	\$0	0.0%	
UNDERAGE TOBACCO PROGRAM A.1.9	\$0	\$0	\$0	0.0%	
LOCAL CONTINUING EDUCATION GRANTS A.1.10	\$0	\$0	\$0	0.0%	
ADVANCED TAX COMPLIANCE A.1.11	\$0	\$0	\$0	0.0%	
SUBSEQUENT CVC CLAIMS A.1.12	\$0	\$0	\$0	0.0%	
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.13	\$0	\$0	\$0	0.0%	
JOBS AND EDUCATION FOR TEXANS A.1.14	\$0	\$0	\$0	0.0%	
MAJOR EVENTS TRUST FUND A.1.15	\$0	\$0	\$0	0.0%	
Total, Goal A, CPA - FISCAL PROGRAMS	\$6,157	\$0	(\$6,157)	(100.0%)	
ENERGY OFFICE B.1.1	\$292,532,244	\$3,401,410	(\$289,130,834)	(98.8%)	Recommendations primarily reflect expenditure of funds for the State Energy Conservation Office (SECO) from the American Recovery and Reinvestment Act in 2010-11.
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$0	\$0	\$0	0.0%	
Total, Goal B, ENERGY OFFICE	\$292,532,244	\$3,401,410	(\$289,130,834)	(98.8%)	
Grand Total, All Strategies	\$292,538,401	\$3,401,410	(\$289,136,991)	(98.8%)	

Fiscal Programs - 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
VOTER REGISTRATION A.1.1	\$0	\$0	\$0	0.0%	
MISCELLANEOUS CLAIMS A.1.2	\$1,471,672	\$0	(\$1,471,672)	(100.0%)	Recommendations reflect payment of miscellaneous claims for wrongful imprisonment in 2010-11 which are not anticipated for 2012-13.
REIMBURSEMENT- COMMITMENT HEARINGS A.1.3	\$0	\$0	\$0	0.0%	
REIMBURSE - BEVERAGE TAX A.1.4	\$0	\$0	\$0	0.0%	
JUDGMENTS AND SETTLEMENTS A.1.5	\$0	\$0	\$0	0.0%	
COUNTY TAXES - UNIVERSITY LANDS A.1.6	\$0	\$0	\$0	0.0%	
LATERAL ROAD FUND DISTRICTS A.1.7	\$0	\$0	\$0	0.0%	
UNCLAIMED PROPERTY A.1.8	\$0	\$0	\$0	0.0%	
UNDERAGE TOBACCO PROGRAM A.1.9	\$0	\$0	\$0	0.0%	
LOCAL CONTINUING EDUCATION GRANTS A.1.10	\$0	\$0	\$0	0.0%	
ADVANCED TAX COMPLIANCE A.1.11	\$0	\$0	\$0	0.0%	
SUBSEQUENT CVC CLAIMS A.1.12	\$0	\$0	\$0	0.0%	
GROSS WEIGHT/AXLE FEE DISTRIBUTION A.1.13	\$0	\$0	\$0	0.0%	
JOBS AND EDUCATION FOR TEXANS A.1.14	\$0	\$0	\$0	0.0%	
MAJOR EVENTS TRUST FUND A.1.15	\$0	\$0	\$0	0.0%	
Total, Goal A, CPA - FISCAL PROGRAMS	\$1,471,672	\$0	(\$1,471,672)	(100.0%)	
ENERGY OFFICE B.1.1	\$0	\$0	\$0	0.0%	
OIL OVERCHARGE SETTLEMENT FUNDS B.1.2	\$0	\$0	\$0	0.0%	
Total, Goal B, ENERGY OFFICE	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$1,471,672	\$0	(\$1,471,672)	(100.0%)	

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

1. Fiscal Implications of LBB Recommendations

- **Mixed Beverage Tax** – Recommendations would provide for reimbursements of mixed beverage tax receipts at a reduced rate of 8.3065 percent. Rate of reimbursement is currently set at 10.7143 percent. Tax Code Section 183.051 provides that reimbursements to counties and incorporated municipalities, issued quarterly, may not exceed 10.7143 percent of receipts from permittees within the county or incorporated municipality. The new recommended rate (22.5% reduction) and incorporation of GEER recommendations to repeal Sunday liquor laws – which would adversely impact mixed beverage tax receipts – is estimated to provide funding to local governments near 2008-09 expended levels (\$246.7 million) over the biennium for a reduction of 22.7 percent of the Comptroller’s anticipated payments for the 2012-13 biennium at current level of reimbursement (\$318.2 million).

- **Zero-funded programs**

- **Lateral Road Fund Distribution** – Recommendations would eliminate sum-certain appropriations for the distribution of a portion of the gasoline tax to counties for construction and maintenance, purchase of right-of-way, and payment of debt obligations for county roads. Authorization for the distribution is referenced in Article VIII, Section 7-a of the Constitution and is also governed by Tax Code Section 162.503 and Transportation Code Section 256.002 - 256.003. The Constitutional provision provides that such distributions are “subject to legislative appropriation”. Appropriations are typically provided at \$7.3 million each year, which is the authorized maximum allocation of the gasoline tax specified in Tax Code Section 162.503. Elimination of funding would reduce available funding for county and road district construction, maintenance and debt service.

Savings in General Revenue or credit towards certification of the appropriations bill for the recommendation to eliminate Lateral Road Fund distributions is contingent on enactment of legislation modifying Tax Code, Section 162.503 to eliminate allocation of a portion of gasoline tax revenue (up to \$7.3 million each year) to the County and Road District Highway Fund (Fund 57). Fund 57 does not count towards certification of the bill.

- **Tobacco Enforcement Grants** – Elimination of tobacco enforcement grants are included in recommendations. Grants are authorized by Section 161.088 of the Health and Safety Code for local law enforcement activities to reduce sale or distribution of tobacco products to minors. Recommendations would reduce funding for local entities to carry out these activities.
- **Local Continuing Education Grants** – Recommendations eliminate local continuing education grants provided to local law enforcement for continuing education and training of officers. Grants are authorized by Section 1701.157 of the Occupations Code and are distributed according to allocation provided in statute. The program is funded through

the General Revenue-Dedicated Law Enforcement Officer Standards and Education Fund 116. Recommendations would not abolish this fund and revenue from allocation of court costs (5.0034 percent) would continue to be deposited to the Fund and count towards certification of the GAA.

- **Gross Weight/Axle Permit Fee** – Distribution of gross weight/axle permit fees are not included in the recommendations. Per Transportation Code Section 621.353, the Comptroller is required to send \$50 of each excess weight permit base fee to counties based on the ratio of the total number of miles of county roads maintained by the county to the total number of miles of county roads maintained by all of the counties throughout the state. Distributions in 2010-11 are estimated to be \$13.1 million. Recommendations would reduce funding to counties for public roads and bridges.
- **Jobs and Education for Texans (JET)** – Recommendations eliminate \$25 million in requested appropriations for the JET program. The program was authorized by House Bill 1935 from the 81st Legislature and funds grants to community colleges and nonprofits for support and development of programs preparing students for high-demand occupations.

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

- Eliminate allocation of a portion of gasoline tax revenue to the County and Road District Highway Fund 57 – Tax Code, Section 162.503. Statutory change is required to receive credit for certification of the appropriations bill for recommendation to eliminate funding for Strategy A.1.7, Lateral Road Fund Distribution.

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

- None.

**Fiscal Programs - Comptroller of Public Accounts
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	25.0	25.0	25.0	25.0	25.0
Actual/Budgeted	20.1	21.9	25.0	NA	NA
Schedule of Exempt Positions (Cap)					
None.					

Comptroller of Public Accounts Fiscal Programs
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
---------------------------	------------------------	--------------------	-----------------	--------------	---------------------------------------	--------------------------------

NO RELATED RECOMMENDATIONS

**Fiscal Programs – Comptroller of Public Accounts
Rider Highlights**

10. (revise) **Oil Overcharge Settlement Funds.** Revise estimates of anticipated unexpended balances and revenue from Oil Overcharge Fund and allocation of depository interest for selected programs shown in rider.
11. (revise) **Department of Energy (DOE) Federal Funds.** Revise allocation of federal funds to Pantex and State Energy Programs based on reduced allocation of funds from the Department of Energy.
12. (revise) **Appropriation of Tax Refunds.** Revise subsection (d) to include redesignation of Business and Commerce Code Sec. 47.052 to Business and Commerce Code Sec. 102.052.
15. (revise) **Unexpended Balances: Major Events Trust Fund.** Provide unexpended balances of funds appropriated in 2010-11 for transfer to the Major Events Trust Fund outside the Treasury.
15. (old) **Jobs and Education for Texans (JET).** Delete rider due to elimination of program.
16. (new) **Mixed Beverage Tax Reimbursements.** Add rider requiring that reimbursements of mixed beverage tax receipts to counties and cities not exceed rate of 8.3065 percent.

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

	2012-13 Biennial Total	
	GR & GR- Dedicated	All Funds
1. Transfer of Comptroller of Public Accounts new Rider 14, Appropriation to Reimburse the General Revenue Fund for the Cost of Certain Insurance Tax Credits (page I-22), and related appropriations of \$20 million in General Revenue Dedicated Texas Department of Insurance Operating Fund Account No. 36 from bill pattern of 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.	\$ 20,000,000	\$ 20,000,000
Total, Items Not Included in the Recommendations	\$ 20,000,000	\$ 20,000,000