

Section 1

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

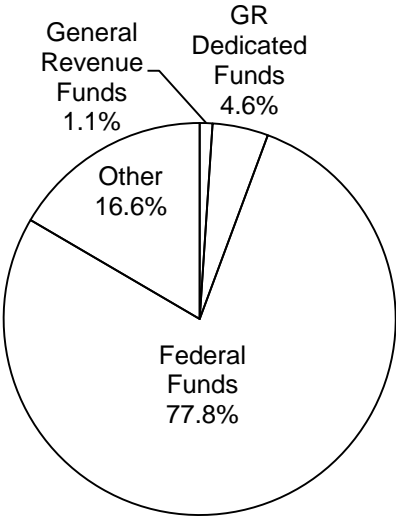
Page VI-29
George P. Bush, Commissioner

Tina Beck, LBB Analyst

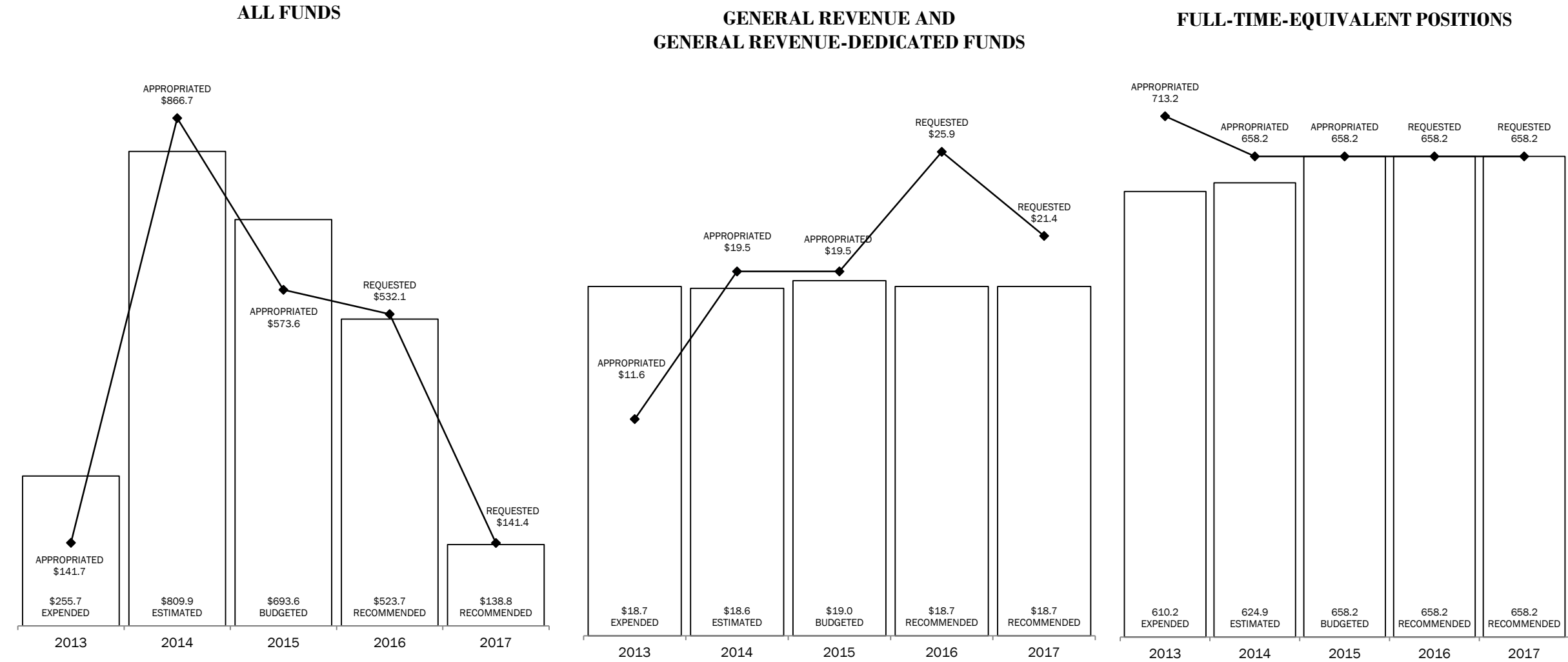
Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$6,950,096	\$6,963,332	\$13,236	0.2%
GR Dedicated Funds	\$30,687,531	\$30,466,738	(\$220,793)	(0.7%)
Total GR-Related Funds	\$37,637,627	\$37,430,070	(\$207,557)	(0.6%)
Federal Funds	\$1,353,038,332	\$515,257,514	(\$837,780,818)	(61.9%)
Other	\$112,832,702	\$109,804,719	(\$3,027,983)	(2.7%)
All Funds	\$1,503,508,661	\$662,492,303	(\$841,016,358)	(55.9%)

	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	658.2	658.2	0.0	0.0%

RECOMMENDED FUNDING
BY METHOD OF FINANCING



The bill pattern for this agency (2016-17 Recommended) represents an estimated 35.6% of the agency's estimated total available funds for the 2016-17 biennium.



Fiscal year 2013 General Revenue-Related expended amounts exceeded appropriations primarily for Alamo gift shop receipts spent under estimated appropriation authority from the General Revenue-Dedicated Alamo Complex Account No. 5152; the receipt of \$1.6 million in Earned Federal Funds (General Revenue); and \$1.6 million in unexpended balances carried forward from FY 2012 to FY 2013 in Earned Federal Funds received for disaster recovery projects. Fiscal year 2013 All Funds amount exceeded appropriations primarily for the receipt of additional Community Development Block Grants (\$54.9 million in Federal Funds) and Coastal Impact Assistance Program funds (\$52.0 million in Federal Funds).

Fiscal Year 2015 All Funds budgeted amounts exceed appropriations primarily for 1) the receipt of additional Community Development Block Grants (CDBG - \$57.2 million in Federal Funds); 2) unexpended balances of \$47.4 million in CDBG grants being carried forward from fiscal year 2014 to fiscal year 2015; 3) other unexpended balances, primarily from coastal erosion capital projects (\$10.2 million in Interagency Contracts, Federal Funds, and Other Funds); 4) a \$2.2 million donation by the National Fish and Wildlife Foundation for a Galveston Island Bayside Marsh Renourishment project from amounts originating in Deepwater Horizon settlement funds (Appropriated Receipts – Other Funds); 5) \$1 million drawn under estimated appropriation authority for veterans cemeteries and land programs; and 6) \$1 million in Federal Funds and Other Funds for the statewide pay increase.

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

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$8,935,461	\$9,272,631	\$337,170	3.8%	Recommendations include an increase of \$0.3 million in All Funds, which includes an increase of \$0.1 million from General Revenue reallocated by the agency in its baseline request and an increase of \$0.2 million from the Permanent School Fund No. 44 (Other Funds) to annualize the statewide pay increase.
ENERGY MARKETING A.1.2	\$1,620,061	\$1,446,798	(\$173,263)	(10.7%)	Recommendations include a decrease of \$0.2 million in donations to the map conservation program from Appropriated Receipts (Other Funds).
DEFENSE AND PROSECUTION A.1.3	\$7,960,380	\$7,666,541	(\$293,839)	(3.7%)	Recommendations include an increase of \$0.9 million in Other Funds, which includes an increase from the Permanent School Fund No. 44 (\$0.6 million), Appropriated Receipts (\$0.2 million) and Interagency Contracts (\$0.1 million) to annualize the statewide pay increase and agency-requested reallocations of FTEs and other operating increases to this strategy.
COASTAL AND UPLANDS LEASING A.1.4	\$7,573,759	\$8,536,869	\$963,110	12.7%	
ASSET MANAGEMENT A.2.1	\$11,500,602	\$10,743,993	(\$756,609)	(6.6%)	Recommendations include a decrease of \$0.8 million in Other Funds, which includes a decrease from the Permanent School Fund No. 44 for a completed archives and records management project and one-time legal and audit services (\$0.7 million).
SURVEYING AND APPRAISAL A.2.2	\$1,783,061	\$1,809,726	\$26,665	1.5%	
PRESERVE & MAINTAIN ALAMO COMPLEX A.3.1	\$11,062,262	\$11,062,262	\$0	0.0%	
Total, Goal A, ENHANCE STATE ASSETS	\$50,435,586	\$50,538,820	\$103,234	0.2%	
COASTAL MANAGEMENT B.1.1	\$28,342,106	\$16,456,929	(\$11,885,177)	(41.9%)	Recommendations include a decrease of \$12 million in Federal Funds for completed coastal erosion, beach and dune restoration, and recreational amenities projects, offset by an agency-requested reallocation of Interagency Contract amounts for coastal erosion projects to this strategy.

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

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
COASTAL EROSION CONTROL GRANTS B.1.2	\$38,915,174	\$27,400,222	(\$11,514,952)	(29.6%)	Recommendations include a decrease of \$11.5 million in All Funds, which includes a decrease in Federal Funds for completed coastal erosion control grants (\$8.6 million), and a decrease in Appropriated Receipts (Other Funds) for a donation by the National Fish and Wildlife Foundation for a Galveston Island Bayside Marsh Renourishment project, from amounts originating in Deepwater Horizon settlement funds (\$2.2 million).
OIL SPILL RESPONSE B.2.1	\$11,138,469	\$10,216,021	(\$922,448)	(8.3%)	Recommendations include a decrease of \$0.9 million in All Funds, which includes a decrease in Federal Funds for one-time Port Security grants (\$0.1 million) and a decrease in Appropriated Receipts (Other Funds) for one-time reimbursements from Deepwater Horizon MOEX settlement funds used to purchase boats, boat engines and trailers (\$0.3 million) and from Kirby for the Texas City oil spill in April 2014 (\$0.5 million).
OIL SPILL PREVENTION B.2.2	\$9,355,038	\$9,566,685	\$211,647	2.3%	
Total, Goal B, PROTECT THE COASTAL ENVIRONMENT	\$87,750,787	\$63,639,857	(\$24,110,930)	(27.5%)	
VETERANS' LOAN PROGRAMS C.1.1	\$24,618,997	\$24,617,671	(\$1,326)	(0.0%)	
VETERANS' HOMES C.1.2	\$7,496,797	\$7,669,289	\$172,492	2.3%	
VETERANS' CEMETERIES C.1.3	\$16,053,705	\$14,720,097	(\$1,333,608)	(8.3%)	Recommendations include a decrease of \$1.5 million in Federal Funds for construction and improvement projects at the veterans' cemeteries in Killeen and Mission, offset by an agency-requested increase from the Texas Veterans Homes Administration No. 374 (Other Funds) for salaries and other operating expenses (\$0.2 million).
Total, Goal C, VETERANS' LAND BOARD (VLB)	\$48,169,499	\$47,007,057	(\$1,162,442)	(2.4%)	
REBUILD HOUSING D.1.1	\$817,880,586	\$292,007,299	(\$525,873,287)	(64.3%)	Recommendations include a decrease of \$525.6 million in Federal Funds related to the decrease in Community Development Block Grants for Hurricane Ike and Wildfire -related housing grant awards.
REBUILD INFRASTRUCTURE D.1.2	\$499,272,203	\$209,299,270	(\$289,972,933)	(58.1%)	Recommendations include a decrease of \$289.9 million in Federal Funds related to the decrease in Community Development Block Grants for Hurricane Ike and Wildfire -related infrastructure grant awards.

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

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
Total, Goal D, DISASTER RECOVERY	\$1,317,152,789	\$501,306,569	(\$815,846,220)	(61.9%)	
Grand Total, All Strategies	\$1,503,508,661	\$662,492,303	(\$841,016,358)	(55.9%)	

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General Land Office and Veteran’s Land Board
Selected Fiscal and Policy Issues - Senate

1. Senate Bill 2 as Introduced

Senate Bill 2 as Introduced begins with the agency’s 2016-17 baseline request and incorporate the following adjustments:

- a. **Reduction for Reallocated Boat Replacement Funds:** a decrease of \$190,500 from the General Revenue-Dedicated Coastal Protection Account No. 27, reallocated in the agency’s baseline request to purposes other than boat replacements. The Eighty-third Legislature provided \$360,000 in capital budget funding for boat replacements in the 2014-15 biennium. Agency requested amounts for this purpose in the 2016-17 biennium total \$169,500 (\$360,000 – \$190,500 = \$169,500). (See Items not Included in Recommendations - Senate No. 4.)
- b. **Scale Funding to Vehicle Replacement Cycles:** a decrease of \$58,875 in Other Funds (\$52,125 from the Permanent School Fund and \$6,750 from the Veterans Land Program Administration Fund No. 522) from agency-requested amounts for vehicle replacement cycles. Together with the \$123,000 from the General Revenue-Dedicated Coastal Protection Account No. 27 that the agency had redirected from boat replacement (which is a subset of amounts reduced in Selected Policy Issue No. 1(a), above), a total of \$181,875 in All Funds was removed from the capital budget for vehicle replacement. (See Items not Included in Recommendations – Senate No. 4.)

Recommended funding levels provide \$330,000 in fiscal year 2016 and \$210,000 in fiscal year 2017 to replace an estimated 18 vehicles which will have mileage meeting or exceeding 150,000 miles as of August 31, 2017. Recommended funding levels exceed 2014-15 appropriated levels. The agency indicates it intends to spend \$915,352 on vehicle replacement in the 2014-15 biennium. The table below compares requested and recommended funding levels to appropriated and estimated/budgeted amounts.

Capital Budget - Transportation Items				
	Appropriated 2014-15	Est/Budgeted 2014-15	Requested 2016-17	Recommended 2016-17
Vehicles	\$ 244,699	\$ 915,352	\$ 721,875	\$ 540,000
Boats	\$ 360,000	\$ 266,273	\$ 169,500	\$ 169,500
Total	\$ 604,699	\$ 1,181,625	\$ 891,375	\$ 709,500

The agency reports it begins evaluating vehicles for replacement once they reach the threshold of 100,000. The following fleet analysis shows the types of vehicles in the agency’s inventory, and compares costs of the agency’s preferred threshold and the recommended threshold.

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General Land Office - Fleet Analysis									
Vehicle Inventory	Count of Vehicles	Number of Vehicles Over 100,000				Number of Vehicles Over 150,000			
		Current	FY 2015	FY 2016	FY 2017	Current	FY 2015	FY 2016	FY 2017
SUVs and Vans	9	2	3	4	6	0	0	1	1
Light Trucks	37	16	20	22	25	1	4	9	15
Light Duty Trucks	24	5	8	10	16	0	0	1	2
	70	23	31	36	47	1	4	11	18
Replacement Cost		\$ 690,000	\$ 930,000	\$ 1,080,000	\$ 1,410,000	\$ 30,000	\$ 120,000	\$ 330,000	\$ 540,000
Note: Replacement costs grow incrementally each year in this analysis.									

The agency’s budgeted amounts in the 2014-15 biennium and requested amounts in the 2016-17 biennium total \$1.6 million (\$915,352+\$721,875=1,637,227). This exceeds the estimated costs of replacement even under the agency’s preferred threshold, as shown in the table above. Because the Legislature suspended capital budget funding for vehicle replacement in the 2012-13 biennium, the agency accelerated its replacement of vehicles in the 2014-15 biennium. In this analysis, the agency should be able to use the \$540,000 included in recommendations to continue to replace vehicles at mileages closer to the agency’s preferred threshold in the 2016-17 biennium.

- c. **Federal Funds Reductions:** an agency-requested decrease of \$837.8 million in the 2016-17 biennium, compared to 2014-15 spending levels. Major components of the decrease include Community Development Block Grants for Hurricane Ike and Wildfire –related housing grant awards (\$525.6 million), Hurricane Ike and Wildfire –related infrastructure rebuilding grant awards (\$289.9), and \$12 million for completed coastal erosion, beach and dune restoration, and recreational amenities projects.

2. Hold Harmless for Interest Earnings Swept to General Revenue from the Coastal Protection Account

The Eighty-third Legislature, Regular Session, enacted House Bill 7, which sweeps all interest earnings credited from the General Revenue-Dedicated Coastal Protection Account No. 27 to General Revenue. In order to hold the agency harmless for the result of the statutory change, recommendations include leaving amounts formerly from this source in the 2014-15 biennium (\$264,000) in the agency’s baseline in the 2016-17 biennium. There are sufficient fund balances to replace interest earnings from the Coastal Protection Account in the baseline request. See also Rider Highlights - Senate No. 15.

3. Operation of the Alamo Complex

The Eighty-second Legislature enacted House Bill 3726, which placed the Alamo Complex under the jurisdiction of GLO, and made the agency responsible for the preservation, maintenance, and restoration of the complex and its contents. GLO assumed management duties of the site in

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January 2012. As directed by the legislation, GLO continues its contractual agreement with the Daughters of the Republic of Texas for the management, operation, and financial support of the Alamo. In fiscal year 2014, an estimated 1.3 million people visited the Alamo Shrine, and an additional 200,000 people for a total of 1.5 million visited the Alamo Gift Shop. Gift shop revenues were approximately \$2.4 million in fiscal year 2014.

Recommendations for the 2016-17 biennium were based on estimated 2014-15 revenues to the General Revenue-Dedicated Alamo Complex Account No. 5152 (\$9.6 million for the biennium in Account No. 5152). The Comptroller’s Biennial Revenue Estimate (BRE) released in January 2015 estimates \$6.8 million will be available in Account No. 5152 for the biennium.

GLO is evaluating whether reduced revenue streams to the General Revenue-Dedicated Alamo Complex Account No. 5152 (\$6.8 million), together with a General Revenue subsidy (\$1.5 million) are sufficient for daily operations of the site during the 2016-17 biennium. Setting aside the issue of daily operations funding levels, the agency reports baseline funding levels are not sufficient to address deferred maintenance and major improvements. The agency is requesting \$5 million from General Revenue in the 2016-17 biennium for preservation and maintenance costs at the Alamo Complex, which includes the Shrine, Alamo Research Center, Alamo Hall, Gallagher House, garden area, courtyard, gift shop, and parking lots. Major categories of the agency’s requested projects are shown in the table below.

Alamo Complex Preservation and Maintenance Request	
Description	2016-17 Biennium
Roof construction and repairs	\$ 681,550
Vault extension and remodeling	\$ 620,000
Replace windows, entry gates and lighting	\$ 1,000,650
Information Technology Upgrades	\$ 475,534
Sound system and electrical upgrades	\$ 434,300
Ongoing facility maintenance	\$ 350,000
Other improvements and repairs	\$ 1,437,966
	\$ 5,000,000

See also Rider Highlights – Senate No. 19 and Items not Included in the Recommendations - Senate No. 1.

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4. Deepwater Horizon Oil Spill

The Deepwater Horizon Oil Spill occurred in April 2010. In fiscal years 2010 and 2011, the General Land Office was reimbursed \$427,454 by BP for the costs of agency personnel, travel, and vehicles which were deployed to Gulfport Mississippi from May through October 2010 for oil spill response activities. Subsequently, GLO received additional funds related to the spill as follows:

- FY 2013: A payment by MOEX Offshore (a BP subsidiary) used to purchase oil spill equipment such as trailers, radios, and buoys (\$623,053);
- FY 2014: A payment by MOEX Offshore used to purchase boats, boat motors and trailers (\$327,272);
- FY 2015: An award from the National Fish and Wildlife Foundation used for a Galveston Island Bayside Marsh Renourishment project (\$2.2 million); a payment by MOEX Offshore used to purchase oil spill equipment (\$54,675)

At this time, the agency is not expecting any additional reimbursements or awards to the agency from Deepwater Horizon settlement funding in the 2016-17 biennium.

5. Closure of Rollover Pass on Bolivar Peninsula

The 81st Legislature appropriated \$5,850,000 to the GLO to close Rollover Pass on the Bolivar Peninsula in Galveston County. It is hoped that closing the pass will reduce the severity of future storm damage to coastal properties, such as the damage caused by Hurricane Ike. The agency reports delays in the federal permitting process, including a lawsuit challenging the federal permit authorized for the closure, as well as delays in necessary land acquisition have delayed expenditure of these funds. GLO anticipates ongoing delays will prevent it from expending the balance of funds available by August 31, 2015, and requests that unexpended balances for this project be available in the 2016-17 biennium (\$5,800,483 in All Funds - \$4,464,352 in General Revenue and \$1,336,131 in Interagency Contracts).

Recommendations do not include funding for this purpose. See Items not Included in the Recommendations - Senate No. 2.

6. Disaster Recovery Program

GLO is requesting a contingency appropriation to be effective upon the Land Commissioner's notification to the Office of the Governor that current federal disaster relief funding for Hurricanes Dolly/Rita/Ike and Central Texas Wildfires will have expired. See Selected Fiscal and Policy Issue – Senate No. 1(d). Although there is a reduction of \$815.2 million in disaster-related federal funds in the 2016-17 biennium, compared to 2014-15 spending levels, GLO disaster recovery-related staff will continue to manage grant awards and service contracts through fiscal year 2017.

Once federal funds have expired, GLO requests that \$1.2 million each fiscal year be available from either General Revenue or a transfer from the Disaster Recover strategy in the bill pattern for Trustee Programs within the Office of the Governor to help retain core staff with significant expertise in awarding and managing multi-million dollar awards. (For perspective, this strategy has appropriations of \$33.7 million in FY 2014 and \$26.6 million in FY 2015 from All Funds.) See Items Not Included in Recommendations – Senate No. 4.

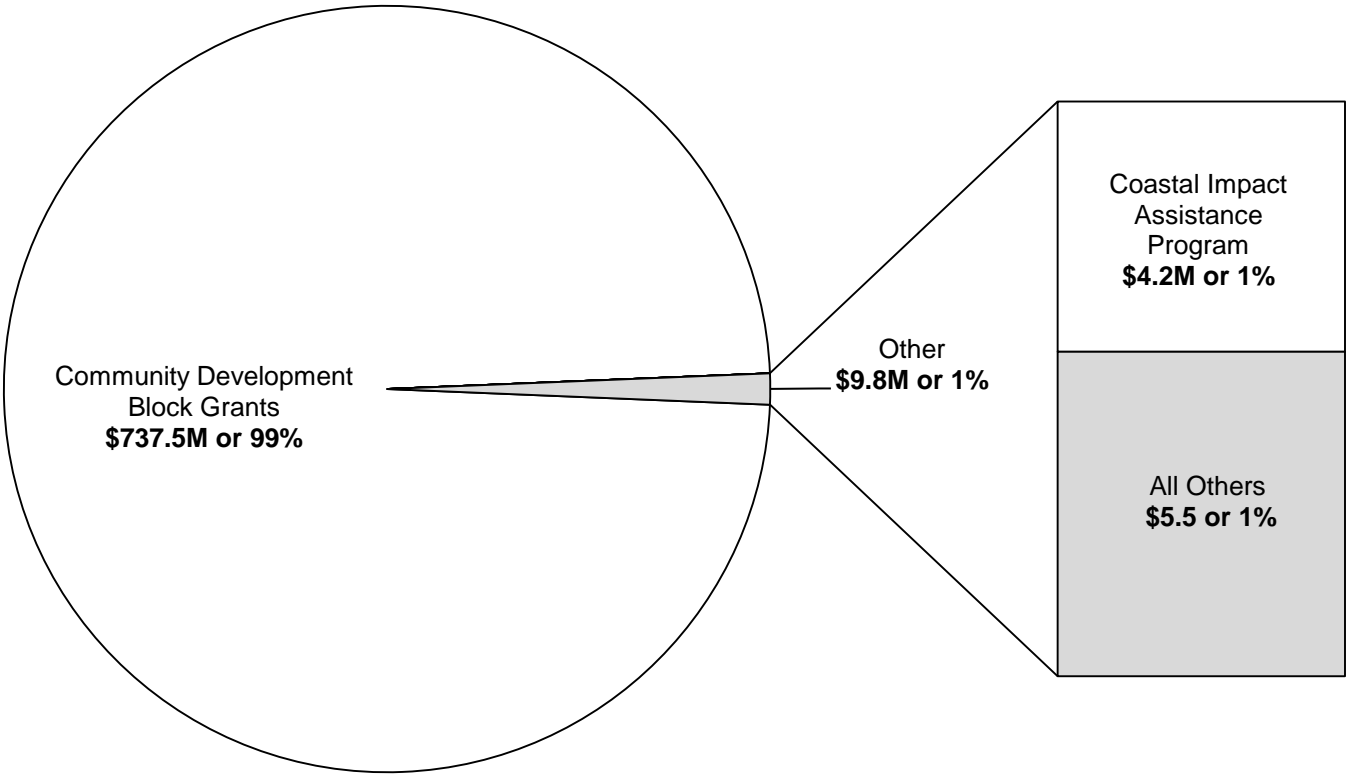
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General Land Office and Veterans' Land Board
Performance Measure Highlights - Senate

	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
<ul style="list-style-type: none">Annual Gross Rate of Return on RESFA Investments <p>Measure Explanation: The agency achieved a rate of return of 9.7 percent on its Real Estate Special Fund Account (RESFA) investments in the Permanent School Fund (PSF) in fiscal year 2014. However, the agency cannot assume such a high rate of returned will continue in 2015-17; therefore, more conservative targets are recommended for those years.</p>	7.6%	9.7%	6.0%	6.0%	6.0%
<ul style="list-style-type: none">Annual Revenue from Uplands Surface Leases <p>Measure Explanation: Measure Explanation: The reduction of revenues reflects the sale of Permanent School Fund lands that generated lease revenue.</p>	4,619,800	4,823,895	6,500,000	2,970,753	2,970,753
<ul style="list-style-type: none">Percent of Receipts to Released to State Board of Education/Texas Education Agency <p>Measure Explanation: FY 2013 performance reflects the School Land Board's discretionary transfer of \$300 million in additional receipts from the Real Estate Special Fund Account to the Available School Fund. Typical transfers average 6 percent per year.</p>	20.8%	4.5%	5.0%	6.0%	6.0%
<ul style="list-style-type: none">Number of Alamo Shrine Visitors <p>Measure Explanation: Given trends in fiscal years 2013 and 2014, recommendations reflect a more realistic performance for 2016-17.</p>	1,334,366	1,352,961	1,500,000	1,400,000	1,400,000
<ul style="list-style-type: none">Alamo Gift Shop Revenue in Dollars <p>Measure Explanation: Alamo gift shop revenues are a revenue stream to the General Revenue-Dedicated Alamo Complex Account No. 5152.</p>	2,249,308	2,473,704	2,460,000	2,310,000	2,310,000

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General Land Office and Veterans' Land Board
Summary of Federal Funds (Estimated 2014)
TOTAL = \$747.3M



Note: Amounts and percentages shown may sum greater/less than actual total due to rounding.

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General Land Office and Veterans' Land Board
Summary of Federal Funds

CFDA	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	Rec 2016	Rec 2017	Rec 2016-17 % total
Community Development Block Grants	\$121.6	\$737.5	\$575.9	\$434.5	\$63.4	\$434.5	\$63.4	96.6%
Coastal Impact Assistance Program	\$48.3	\$4.2	\$8.2	\$6.6	\$0.1	\$6.6	\$0.1	1.3%
Public Assistance Grants	\$0.5	\$2.3	\$14.1	\$4.7	\$0.0	\$4.7	\$0.0	0.9%
State Cemetery Grants	\$2.4	\$1.4	\$2.7	\$1.5	\$1.1	\$1.5	\$1.1	0.5%
Coastal Zone Management Administration	\$1.8	\$1.3	\$3.2	\$2.5	\$0.1	\$2.5	\$0.1	0.5%
Beach Program Development Grant	\$0.3	\$0.3	\$0.4	\$0.4	\$0.1	\$0.4	\$0.1	0.1%
Mineral Management Service	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	0.1%
Habitat Conservation	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
State Access to Oil Spill Liability Trust Fund	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Port Security Grant Program	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Coastal Wetlands Planning, Protection and Restoration Act	\$0.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Coastal Program	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Gulf of Mexico Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
TOTAL:	\$175.2	\$747.3	\$605.8	\$450.3	\$64.9	\$450.3	\$64.9	

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General Land Office and Veterans' Land Board					
Significant Federal Funds Changes					
CFDA No.	Program Name	2014-15 Base	2016-17 Recommended	Recommended Over/(Under) Base	Comments
11.419.000	Coastal Zone Management	\$4,466,289	\$2,593,466	(\$1,872,823)	
11.463.000	Habitat Conservation	\$102,522	\$0	(\$102,522)	
14.228.000	Community Development Block Grants	\$1,313,417,322	\$497,892,205	(\$815,525,117)	
15.000.004	Mineral Management Service	\$279,852	\$294,948	\$15,096	
15.614.000	Coastal Wetlands Planning, Protection and Restoration Act	\$934,946	\$0	(\$934,946)	
15.630.000	Coastal Program	\$79,094	\$0	(\$79,094)	
15.668.000	Coastal Impact Assistance Program	\$12,483,591	\$6,693,020	(\$5,790,571)	
64.203.000	State Cemetery Grants	\$4,096,086	\$2,610,931	(\$1,485,155)	
66.472.000	Beach Program Development Grant	\$695,692	\$498,735	(\$196,957)	
97.013.000	State Access to Oil Spill Liability Trust Fund	\$48,033	\$0	(\$48,033)	
97.036.000	Public Assistance Grants	\$15,183,763	\$4,674,209	(\$10,509,554)	
97.036.005	Appropriated FEMA Reimbursements	\$1,150,633	\$0	(\$1,150,633)	
97.056.000	Port Security Grant Program	\$100,509	\$0	(\$100,509)	
		\$1,353,038,332	\$515,257,514	(\$837,780,818)	

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General Land Office
Performance Review and Policy Report Highlights - Senate

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

**General Land Office and Veterans' Land Board
Rider Highlights - Senate**

- 2. **Capital Budget.** Recommendations include a modification to reflect recommended funding levels for vehicle replacements. See Selected Fiscal and Policy Issue - Senate No. 1(b). Also added was a line item for PC and Laptop Replacements.

- 13. **Appropriation: Receipts and Account Balances for Surface Damages.** Recommendations modify the rider to incorporate statutory language which directs receipts to the Permanent School Fund No. 44 (Other Funds) for surface damages to be appropriated for allowable purposes within two years from the date the funds were collected.

- 15. **(former) Appropriation Authority of Coastal Protection Account Funds.** Recommendations delete the rider because interest earnings from the General Revenue-Dedicated Coastal Protection Account No. 27 are no longer available to the agency for expenditure due to the enactment of HB 7, Eighty-third Legislature. See Selected Fiscal and Policy Issue - Senate No. 1(d).

- 18. **(current) Appropriation: Coastal Management and Coastal Erosion Control.** Recommendations modify the rider for recommended funding levels.

- 19. **(current) Preservation and Maintenance of the Alamo.** Recommendations modify the rider for recommended funding levels. Appropriations for the 2016-17 biennium are based on estimated 2014-15 revenues to the General Revenue-Dedicated Alamo Complex Account No. 5152 (\$9.6 million for the biennium), which are less than original estimates (\$11.9 million), primarily because third-party gift shop expenses no longer flow through the account. Amounts will be modified to reflect the Comptroller's Biennial Revenue Estimate for this account (\$6.8 million). See Selected Fiscal and Policy Issue - Senate No. 3.

Section 6

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

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
Agency Exceptional Items - In Agency Priority Order		
1. Preservation and Maintenance of the Alamo Complex.	\$ 5,000,000	\$ 5,000,000
Amount includes \$3.7 million in capital budget funding for 21 major projects; \$1.1 for minor repair projects including lighting and air-conditioning systems; and \$0.2 million for utility costs including extending high-bandwidth WiFi to the entire complex.		
Capital projects totaling \$3.7 million include various facility repairs and upgrades (\$1.6 million); a remodeling of the vault which houses Alamo artifacts (\$0.6 million); roof replacement and extension projects (\$0.6 million); Information Technology improvements (0.5 million), and establishment of an biennial ongoing maintenance budget (\$0.4 million). See Selected and Fiscal Policy Issue - Senate No. 3.		
2. Closure of Rollover Pass on Bolivar Peninsula.	\$ 4,464,352	\$ 5,800,483
GLO anticipates ongoing delays will prevent it from expending the balance of funds available for this project by August 31, 2015, and requests that unexpended balances for this project be available in the 2016-17 biennium (\$5,800,483 in All Funds - \$4,464,352 in General Revenue and \$1,336,131 in Interagency Contracts). See Selected and Fiscal Policy Issue - Senate No. 5.		
3. Contingency Appropriation for Disaster Recovery Program.	\$ 2,300,000	\$ 2,300,000
GLO is requesting a contingency appropriation in a new rider to be effective upon the Land Commissioner's notification to the Office of the Governor that current federal disaster relief funding for Hurricanes Dolly/Rita/Ike and Central Texas Wildfires have expired. Once federal funds have expired, GLO requests that \$1.2 million each fiscal year be available from either General Revenue or a transfer from the Disaster Recover strategy in the bill pattern for Trustee Programs within the Office of the Governor. See Selected Fiscal and Policy Issue - Senate No. 6.		

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

4. Restore Funds for Vehicle Replacements.

2016-17 Biennial Total			
GR & GR-Dedicated		All Funds	
\$	123,000	\$	181,875

GLO is requesting that funds reduced from the agency’s baseline request for vehicle replacement in Senate Bill 2 as Introduced be restored (\$123,000 from the General Revenue-Dedicated Coastal Protection Account No. 27; \$52,125 from the Permanent School Fund No. 44; and \$6,750 from the Veterans Land Program Administration Fund No. 522). The agency’s preferred threshold for vehicle replacements is when a vehicles mileage reaches 100,000. See Selected Fiscal Policy Issue - Senate No. 1(b).

Total, Items Not Included in the Recommendations

\$	11,887,352	\$	13,282,358
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Section 7

General Land Office and Veterans' Land Board
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
1	Earned Federal Funds from the Disaster Recovery Program	These are dollars drawn from the Department of Housing and Urban Development as part of the Community Development Block Grant program. The GLO is not required to spend these funds on the CDBG program and is offering up this funding source as our first priority in the event a statewide agency reduction mandate is implemented.	\$2,629,528	\$2,629,528		\$0	77%	No
2	Alamo Complex Account	The GLO was given responsibility for the preservation, maintenance and restoration of the Alamo Shrine and Complex and its contents, and for the protection of the historical and architectural integrity of the exterior, interior, and the grounds of the Alamo Complex. Natural Resources Code Chapter 31.454 directs that the funds in the Alamo Complex Account are to be used only to administer that chapter and for the preservation, repair, renovation, improvement, expansion, purchase of equipment or to acquire a historical item appropriated to the complex. In addition to funds in the Alamo Complex Account, the 83rd legislature increased General Revenue funds dedicated to the Alamo to a total of \$1.5 million. Those funds have gone a long way in making health and safety repairs to the Complex. The agency is requesting additional funds to address many more structural concerns, as well as, renovations needed immediately to accept the large collection of artifacts donated by Phil Collins. As both of these are accounts subject to reduction, the agency has identified the 10% reduction targeted associated with these accounts, however, any unspent funds must remain in the Alamo Complex Account. The loss of this appropriation authority would severely hamper the GLO's ability to fulfill the duties established by the 82nd Legislature, and prevent use of the funds dedicated to this State of Texas treasure.	\$150,000	\$150,000		\$0	3%	No

Section 7

General Land Office and Veterans' Land Board
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
3	Oil Spill Prevention Research and Development	The GLO contracts with state-supported universities to fund important scientific and operations related research that enhances the agency's ability to preserve and protect the state's marine environment. Of particular interest is the Tidal Inlet Protection Strategy (TIPS) worked being by Texas A&M-Corpus Christi. The TIPS work will ultimately develop booming strategies that will allow spill responders to optimize the placement of containment boom to keep oil from moving offshore and through ship channels and tidal inlets into our sensitive estuarine habitats. Loss of funding would prevent the continuation of this program.	\$250,000	\$250,000		\$0	5%	No
4	Coastal Mgmt & Erosion Project funding from TPWD	The GLO anticipates a 10% reduction in the Interagency Contract held with Texas Parks and Wildlife for coastal management and coastal erosion project funding since the funding comes from a General Revenue account. Loss of these dollars for projects will result in a loss of federal match dollars. During the 14-15 biennium, the GLO expects to leverage nearly \$.85 in federal matching funds or in-kind federal contribution for every state dollar spent, or \$12.7 million.				\$0	NA	No
TOTAL, 10% Reduction Options			<u>\$3,029,528</u>	<u>\$3,029,528</u>		<u>\$0</u>		

Section 7

General Land Office and Veterans' Land Board
Summary of 10 Percent Biennial Base Reduction Options - Senate
Agency 10% Reduction Options by Category of Reduction

