

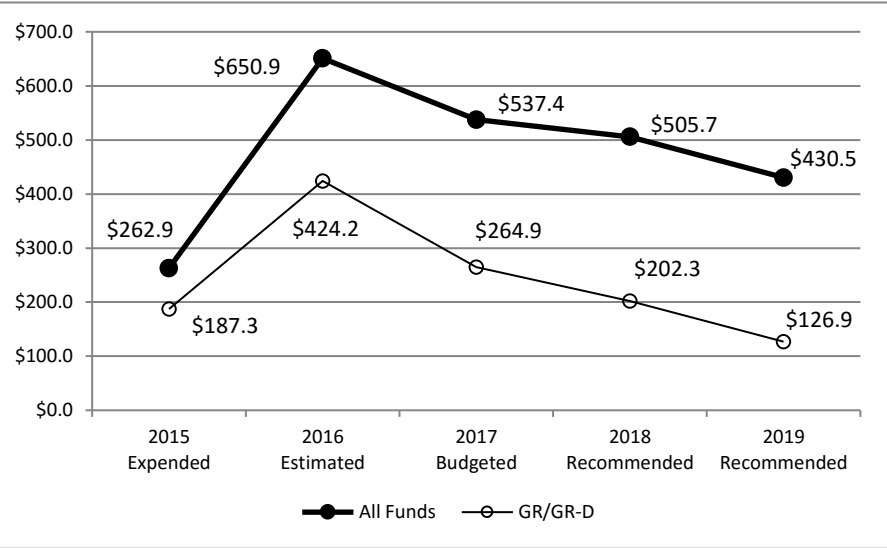
Trusted Programs Within the Office of the Governor
Summary of Recommendations - Senate

Page I-58
The Honorable Greg Abbott, Governor
Lara Bell, LBB Analyst

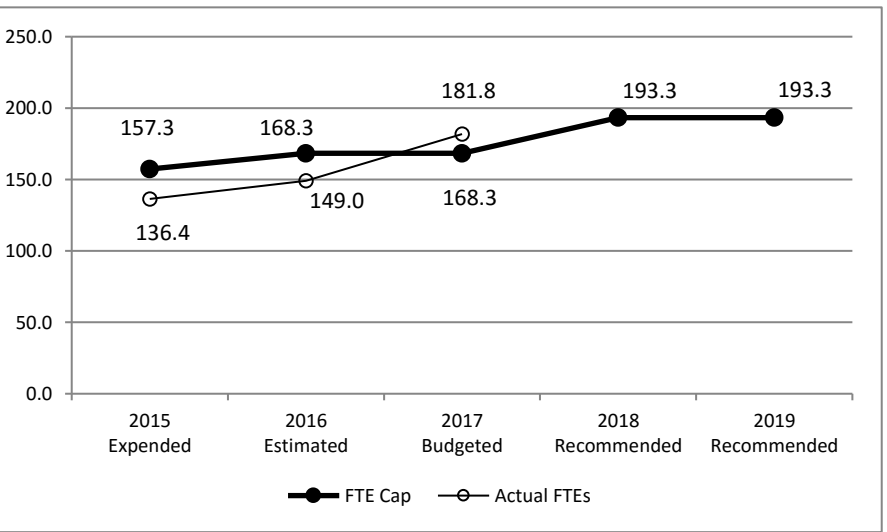
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$400,884,705	\$180,537,519	(\$220,347,186)	(55.0%)
GR Dedicated Funds	\$288,255,296	\$148,687,954	(\$139,567,342)	(48.4%)
Total GR-Related Funds	\$689,140,001	\$329,225,473	(\$359,914,528)	(52.2%)
Federal Funds	\$444,482,834	\$603,661,000	\$159,178,166	35.8%
Other	\$54,687,023	\$3,304,000	(\$51,383,023)	(94.0%)
All Funds	\$1,188,309,858	\$936,190,473	(\$252,119,385)	(21.2%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	181.8	193.3	11.5	6.3%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

**Trusted Programs Within the Office of the Governor
Summary of Funding Changes and Recommendations - Senate**

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Reduce funding by \$144.3 million in General Revenue related to unexpended balances carried forward from FY 2015 into the 2016-17 biennium and requested by the agency as new appropriations in the 2018-19 biennium.	(\$144.3)	\$0.0	\$0.0	\$0.0	(\$144.3)	Multiple Strategies
B)	Reduce funding by \$85.0 million related to one time funding provided by GRD Emerging Technology Funds Account No. 5124 transferred to the GRD Enterprise Fund Account No. 5107 and the GRD Governor's University Research Initiative Account No. 5161 in the 2016-17 biennium.	\$0.0	(\$85.0)	\$0.0	\$0.0	(\$85.0)	C.1.4, C.1.6
C)	Reduce funding by \$63.0 million related to unexpended balances carried forward from 2015 into the 2016-17 biennium and requested as GR in the 2018-19 biennium for the Texas Enterprise Fund.	\$0.0	(\$63.0)	\$0.0	\$0.0	(\$63.0)	C.1.4
D)	Increase funding by \$43.0 million related to estimated balances appropriated to the Texas Enterprise Fund.	\$0.0	\$43.0	\$0.0	\$0.0	\$43.0	C.1.4
E)	Reduce funding by \$34.3 million related to the inclusion of a 1:1 match target for private funds equal to the GR appropriation for tourism promotion activities.	(\$34.3)	\$0.0	\$0.0	\$0.0	(\$34.3)	C.1.2
F)	Reduce funding by \$30.0 million related to one-time funding for grants to defense communities.	(\$30.0)	\$0.0	\$0.0	\$0.0	(\$30.0)	C.1.5
G)	Increase funding by \$25.0 million for grants to law enforcement agencies for bullet-resistant personal body armor.	\$25.0	\$0.0	\$0.0	\$0.0	\$25.0	B.1.1
H)	Reduce funding by \$22.0 million related to Moving Image Industry Incentive funding previously certified by the Comptroller as offset by revenue.	(\$22.0)	\$0.0	\$0.0	\$0.0	(\$22.0)	C.1.3
I)	Agency identified reductions in General Revenue and General Revenue-Dedicated funds across multiple strategies pursuant to the 4 percent reduction.	(\$14.6)	(\$51.1)	\$0.0	\$0.0	(\$65.7)	Multiple Strategies
J)	Direct GRD Emergency Radio Infrastructure Account No. 5153 funds to Governor's Trusted Programs for NIBRS grants. Interagency Contract with DPS is removed. Cost neutral.	\$0.0	\$16.4	\$0.0	(\$16.4)	\$0.0	B.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

**Trusted Programs Within the Office of the Governor
Summary of Funding Changes and Recommendations - Senate**

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
K)	Reduce funding by \$24.5 million to remove the revolving loan repayments for the Small Business Incubator and Texas Product Development Funds.	\$0.0	\$0.0	\$0.0	(\$24.5)	(\$24.5)	C.1.1
L)	Reduce funding for General Obligation Bond Proceeds related to unissued bond authority for the Military Revolving Loan Program.	\$0.0	\$0.0	\$0.0	(\$10.0)	(\$10.0)	C.1.6
M)	Increase federal funding primarily related to the Crime Victims Assistance grants.	\$0.0	\$0.0	\$159.2	\$0.0	\$159.2	B.1.1
N)	Miscellaneous Items	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	A.1.1, C.1.2, C.1.3
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$220.2)	(\$139.7)	\$159.2	(\$51.4)	(\$252.1)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$25.0	\$59.4	\$159.2	\$0.0	\$243.6	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$245.2)	(\$199.1)	\$0.0	(\$51.4)	(\$495.7)	As Listed

NOTE: Totals may not sum due to rounding.

**Trusted Programs Within the Office of the Governor
Selected Fiscal and Policy Issues - Senate**

1. **Bullet-Resistant Body Armor Grants.** Recommendations include \$25.0 million in General Revenue in the 2018-19 biennium for grants for the purchase of bullet-resistant personal body armor. The funding will be available to local law enforcement agencies and/or the Texas Department of Public Safety for bullet resistant personal body armor compliant with National Institute of Justice Type IV ballistic performance. Local law enforcement agencies should also pursue any additional public or private funds available for the purchase of bullet resistant personal body armor.
2. **Private Funding Match for the Tourism Program.** Recommendations include \$34.3 million in General Revenue Hotel Occupancy Tax Deposits Account No. 5003 in the 2018-19 biennium for tourism promotion activities. The decrease of \$34.3 million, or 50 percent, in GR-Hotel Occupancy Tax Deposits is related to the inclusion of a 1:1 matching target for the tourism industry, local governments, and non-profit organizations to provide private funds and/or in-kind expenditures to equal the appropriated GR-Hotel Occupancy Tax Deposits for tourism promotion activities.
3. **Funding Overview.** Recommendations for the 2018-19 biennium reduce the 2016-17 base amount by **\$359.9 million in General Revenue related funds, as noted in Section 2**, primarily related to the removal of one-time funding items, including unexpended balances carried forward from FY 2015 into 2016-17 biennium. Reductions include:
 - Decrease of \$144.3 million related to unexpended balances carried forward from fiscal year 2015 into the 2016-17 biennium;
 - Decrease of \$85.0 million related to one-time revenue from the Emerging Technology Fund transferred to the Texas Enterprise Fund and the Governor's University Research Initiative;
 - Decrease of \$63.0 million related to unexpended balances carried forward from 2015 into the 2016-17 biennium and requested as GR in the 2018-19 biennium for the Texas Enterprise Fund;
 - Decrease of \$34.3 million related to the tourism program;
 - Decrease of \$30.0 million related to one-time funding for military preparedness grants;
 - Decrease of \$22.0 million in one-time revenues for the Moving Image Industry Incentive Program; and
 - Decrease of \$65.7 million in agency-identified reductions, pursuant to the 4 percent reduction.

The decreases of \$444.3 million are offset by increases of \$84.4 million including:

 - Increase of \$43.0 million in estimated unexpended balances carried forward from fiscal year 2017 into the 2018-19 biennium in the Texas Enterprise Fund;
 - Increase of \$25.0 million related to grants for bullet resistant body armor; and
 - Increase of \$16.4 million related to a method of finance swap for funding the National Incident Based Reporting System with General Revenue-Dedicated funding in place of Other Funds.
4. **Unexpended Balances (UB).** Recommendations reflect funding for the 2018-19 biennium at or below 2016-17 appropriated levels across most strategies and include the continuation of authority to carry forward UB within the biennium and across biennia for all strategies, as allowed by Rider 12, Appropriations of Unexpended Balances, Revenue, and Interest Earnings, in the agency's bill pattern.
 - a) The agency reported in its 2016-17 base reconciliation carry forward of approximately \$275.9 million in General Revenue-related funds from fiscal year 2015 into the 2016-17 biennium base in the following methods of finance:
 - \$167.6 million in General Revenue;

- \$54.2 million in Texas Enterprise Fund Account No. 5107;
- \$49.0 million in Criminal Justice Planning Account No. 421;
- \$4.4 million in Economic Development Bank Account No. 5106; and
- \$0.7 million in Crime Stoppers Assistance Account No. 5012.

b) The inclusion of unexpended balances (\$275.9 million) and other one-time revenues (\$11.1 million in FY 2016 from Texas Enterprise Fund Account No. 5107 and Economic Development Bank Account No. 5106) increased the 2016-17 base amount for the agency. The agency's budget request suggests an expectation that all UB balances will be expended in the 2016-17 biennium, although historically there has been significant UB carry-forward. Based on this analysis, recommendations do not include the agency's request for **\$144.3 million in General Revenue-related funds in the 2018-19 biennium, as noted in Section 2(A)**, that reflected a portion of carried forward balances in the 2016-17 base, as noted below:

- \$80.6 million in Disaster Funding;
- \$25.2 million in Criminal Justice;
- \$24.4 million in Film and Music Marketing;
- \$10.4 million in Tourism;
- \$1.6 million in Military Preparedness;
- \$1.0 in State-Federal Relations;
- \$0.6 million in Women's Groups; and
- \$0.5 million in County Essential Services.

Recommendations also decrease General Revenue-related funds by **\$65.7 million in agency identified funds pursuant to the four percent reduction, as noted in Section 2(G)**; and include \$10.0 million in body camera funding transferred to Disaster Funds in the 2018-19 biennium.

	2016-17 Appropriated	2016-17 Expended/Budgeted	2018-19 Recommended
General Revenue	\$232,857,583	\$400,884,705	\$180,537,519
General Revenue-Dedicated	\$217,327,745	\$288,255,296	\$148,687,954
Federal Funds	\$124,600,000	\$444,482,834	\$603,661,000
Other Funds	\$3,294,000	\$54,687,023	\$3,304,000
Total	\$578,079,328	1,188,309,858	\$936,190,473

5. **Texas Enterprise Fund and Governor's University Research Initiative.** Recommendations do not include \$85.0 million in one-time revenue (see Item 3, Funding Overview) included in the 2016-17 base, which was transferred from General Revenue-Dedicated Emerging Technology Fund Account No. 5124 to the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 (\$45.0 million) and the General Revenue-Dedicated Governor's University Research Initiative Fund Account No. 5161 (\$40.0 million).

The Emerging Technology Fund was abolished by the Eighty-fourth Legislature, Regular Session, 2015 and unexpended balances of approximately \$102.0 million were appropriated to the Texas Enterprise Fund, the Governor's University Research Initiative, the Higher Education Coordinating Board, The University of Texas at Austin, and Texas A&M University. In addition, the Texas Safekeeping Trust was tasked with managing the state's portfolio of equity positions, investments, and associated assets related to the Emerging Technology Fund.

Texas Enterprise Fund (TEF)

The \$108.0 million appropriated in the 2016-17 biennium for TEF included:

- \$45.0 million in unexpended balances carried forward from FY 2015;
- \$45.0 million transferred from GR-Dedicated Emerging Technology Fund Account No. 5124;
- \$9.2 million in additional unexpended balances above appropriated amounts carried forward from FY 2015; and
- \$8.9 million in revenues, interest earnings, and clawbacks of funding from grant terminations.

According to the agency, as of October 24, 2016, TEF has announced 14 awards totaling \$37.6 million and creating an estimated 5,357 jobs in the 2016-17 biennium. The agency indicated the remaining \$71.7 million will be awarded in FY 2017 and that no balances will remain in the TEF at the end of fiscal year 2017. Recommendations do not include the agency requested \$108.0 million in new General Revenue be transferred to GR-D Texas Enterprise Fund Account No. 5107.

Over the past four biennia, the agency averaged \$56.0 million in TEF awards each biennia. The agency reports \$30.4 million in awards in FY 2016 and \$7.2 million in awards to date in FY 2017. Expenditures after 14 months are approximately \$38.0 million and are estimated to increase to \$65.0 million for the biennium. Recommendations include an estimated \$43.0 million in GR-Dedicated Texas Enterprise Fund Account No. 5107 in the 2018-19 biennium from unexpended balances remaining and carried forward from the \$108.0 million appropriated in the 2016-17 biennium.

Governor's University Research Initiative (GURI)

According to the agency, in FY 2016, GURI made nine awards to institutions of higher education: The University of Texas at Austin, the University of Houston, and Texas A&M University, totaling \$31.0 million. The agency has indicated the remaining \$9.0 million will be awarded in FY 2017 and that no balances will remain in the GURI fund at the end of fiscal year 2017. Recommendations do not include the agency requested \$40.0 million in new General Revenue be transferred to GR-D Governor's University Research Initiative Fund Account No. 5161 to replace one-time revenues from the Emerging Technology Fund, which reduces the appropriation to unexpended balances, estimated by the agency to be \$0, for GURI awards.

6. **Disaster Funding.** Recommendations include \$24.8 million in General Revenue to provide grants for certain disasters. In 2016-17, the agency was appropriated \$14.8 million in General Revenue and \$67.5 million in unexpended balances carried forward from fiscal year 2015 into the 2016-17 biennium. The Eighty-fourth Legislature, Regular Session, 2015 redirected \$10.0 million in General Revenue from Strategy A.1.1, Disaster Funds to Strategy C.1.1, Criminal Justice for body worn camera grants to local law enforcement entities. Recommendations include the agencies request to transfer \$10.0 million in General Revenue back into Strategy A.1.1, Disaster Funds from Strategy C.1.1, Criminal Justice.

The agency awarded \$38.0 million in FY 2016 in disaster grants and projects \$70.3 million in disaster awards in FY 2017. The majority, 98 percent, of awards were made to the Texas Division of Emergency Management (TDEM) at the Department of Public Safety and were primarily related to the seven federal disasters declared from May 2015 through the end of FY 2016.

History of Disaster Funding (in millions)

	2010-11	2012-13	2014-15	2016-2017
Total Available Appropriation	\$78.9	\$73.7	\$83.8	\$89.1
Awards	\$27.2	\$20.8	\$17.6	\$38.0*

Source: Office of the Governor

* As of 9/2/16

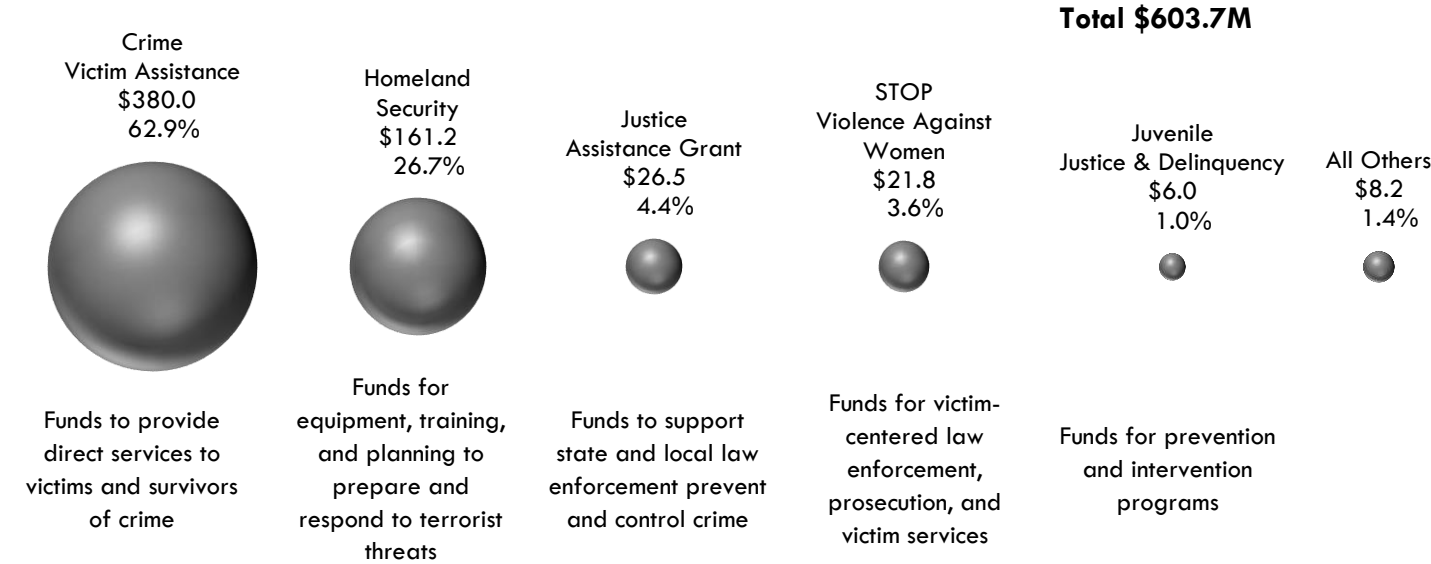
7. **Body Worn Camera Program.** Recommendations include the agency's request to reallocate \$10.0 million in General Revenue related to grants to local law enforcement entities for body worn cameras from Strategy B.1.1, Criminal Justice to Strategy A.1.1, Disaster Funds. Senate Bill 158, 84th Legislature, 2015, amended Occupations Code, §1701 to add Subchapter N, allowing the Office of the Governor to award grants for body worn cameras. The \$10.0 million in General Revenue for this program was transferred from Strategy A.1.1, Disaster Funds for the 2016-17 biennium. As of August 31, 2016, 130 awards totaling \$4.8 million have been awarded to local law enforcement entities and an additional 83 applications for \$3.4 million are under review. Of the 130 awards, 58 entities have submitted the report required for funding to be dispersed on the costs of implementing the body worn camera program to the Texas Commission on Law Enforcement. According to the agency, the issuance of grants has been slow, as enough applications have not been received for the \$10.0 million appropriation in FY 2016-17. The agency anticipates expending all funds in FY 2017, but is not requesting continued funding in the 2018-19 biennium.
8. **Border Security Funding.** The Eighty-fourth Legislature, Regular Session, 2015 appropriated \$38.4 million in General Revenue-related funds in the 2016-17 biennium for programs related to Border Security. Recommendations continue this funding in the 2018-19 biennium, which includes the following:
- \$10.2 million for grants to local law enforcement agencies to support Operation Border Star. This funding may also be used to assist with the humane processing of the remains of undocumented migrants;
 - \$10.2 million for grants for anti-gang activities;
 - \$9.0 million for border prosecution grants;
 - \$6.0 million for expanded helicopter operations; and
 - \$3.0 million to support an interagency contract with Texas Military Department for the installation and maintenance of border cameras.

In May 2015, the agency became the State Administrative Agency for the federal Homeland Security Grant Program and will administer approximately \$164.6 million in federal funds for grants in the 2016-17 biennium. This funding is included in the Trusteed Programs 2016-17 base amounts.

9. **National Incident Based Reporting System (NIBRS).** Recommendations include \$8.2 million in GR-Dedicated Emergency Radio Infrastructure Account No. 5153 each fiscal year in Strategy B.1.1, Criminal Justice related to grants for local law enforcement entities to implement NIBRS. The funding was appropriated to the Department of Public Safety in the 2016-17 biennium and a Memorandum of Understanding created an interagency contract allowing the awards to be made by the Trusteed Programs within the Office of the Governor. Recommendations directly appropriate the funding to the Trusteed Programs within the Office of the Governor and eliminate the need for an interagency contract.
10. **Film Incentive Contingency Funding.** Recommendations for the Film and Music Marketing strategy reset the funding to the 2016-17 appropriated amount of \$10.0 million in General Revenue for the 2018-19 biennium. This is a decrease of \$11.0 million in General Revenue each fiscal year for the Moving Image Industry Incentive Program (MIIP), as noted in Section 2(F). The 2016-17 MIIP appropriation was no-costed by the Comptroller of Public Accounts (CPA) due to revenue certification rider language. The CPA has stated that appropriations reliant on General Revenue certification will cost the bill in the 2018-19 biennium.
11. **Texas Military Preparedness Grant Program.** Recommendations do not include the agency's request for \$30.0 million in General Revenue in the 2018-19 biennium for the Texas Military Preparedness Commission to provide grants to communities with military installations, as noted in Section 2(E). The agency received \$30.0 in the 2016-17 biennium for grants to fund infrastructure improvements and potentially prevent Texas from being negatively impacted in the event of a Base Realignment and Closure (BRAC) by the Department of Defense. In 2016-17, awards were made to eight defense communities, ranging from \$1.5 million to \$5.0 million each award. Currently there are 15 military installations across Texas that employ over 250,000 uniformed and civilian personnel. The agency has additional authority to issue general obligation bonds for the Texas Military Revolving Loan program (Article III, Sec. 49(n) of the Texas Constitution) for loans to defense communities for economic development projects at the Texas Military Preparedness Commission. The available general obligation bond authority of \$200.4 million for the Military Value Revolving Loan program remains available to provide infrastructure improvement loans to military communities anticipated to be affected by a BRAC.

Trusted Programs Within the Office of the Governor

Summary of Federal Funds (2018 - 19) - Senate



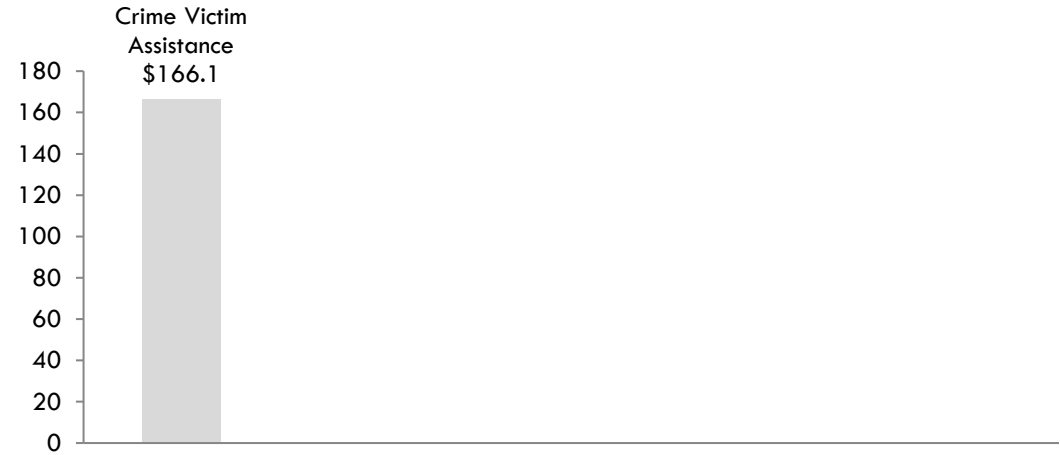
Selected Federal Fiscal and Policy Issues

1. The Crime Victims Fund, supported by offender-generated revenues, is the source for multiple program grants. Crime Victim Assistance awards are allocated from amounts remaining in the Fund after other statutorily determined programs are funded.

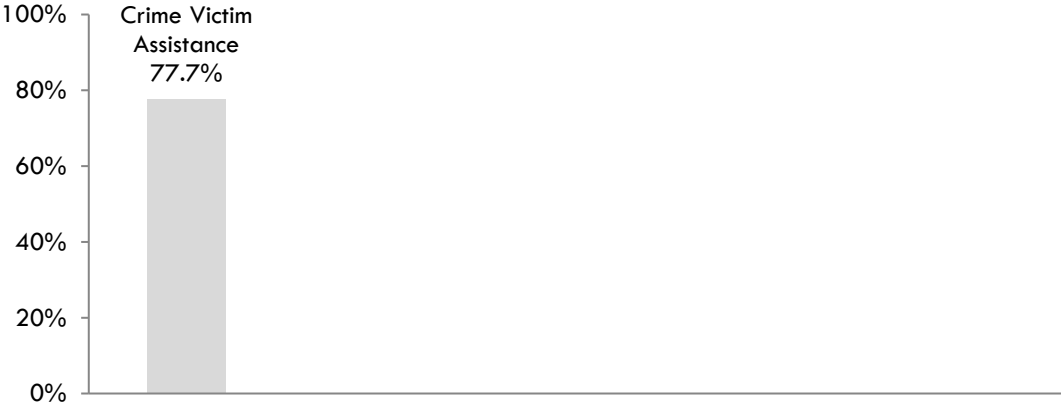
Higher allocations to the Crime Victim Assistance program in fiscal years 2015 and 2016 significantly increased funding for the agency in the 2018-19 biennium. Federal appropriations for grant awards could decrease due to shifting federal priorities.

Programs with Significant Federal Funding Changes from 2016 - 17

Program-by Amount



Program-by Percentage



**Trusted Programs Within the Office of the Governor
Rider Highlights - Senate**

Modification of Existing Riders

- 7. **Rider 10, Administration: Foreign Offices.** Recommendations modify this rider to change the quarterly reporting requirement to annual.
- 11. **Appropriation of Unexpended Balances, Revenue, Interest Earnings.** Recommendations modify this rider to remove references to individual funds.
- 19. **Internet Crime Against Children Task Forces.** Recommendations modify this rider to remove limiting language on the scope of priority programs.
- 22. **Contingency Appropriation: Truancy Prevention Court Cost.** Recommendations modify this rider to clarify revenue contingency language and update amounts.
- 30. **Contingency for HB 10 and HB 7: Child Sex Trafficking Prevention Unit.** Recommendations modify this rider to remove the references to bills passed in the Eighty-fourth Legislative Session, 2015, and incorporate funding related to Art. IX, Sec. 18.24. Contingency for SB 1708.

New Riders

- 27. **Grants for National Incident Based Reporting System.** Recommendations add a new rider related to the transfer of funding for the National Incident Based Reporting System from the Department of Public Safety to the Trusted Programs within the Office of the Governor.
- 28. **Texas Enterprise Fund.** Recommendations add a new rider related to the appropriation of unexpended balances for the Texas Enterprise Fund.
- 29. **Bullet-Resistant Vests.** Recommendations add a new rider related to grants to law enforcement agencies for bullet resistant body armor.
- 30. **Private Funding Match for the Tourism Program.** Recommendations add a new rider related to inclusion of a 1:1 matching target of private industry funds for tourism promotion activities.

Deleted Riders

- 7. **Appropriation: Texas Small Business Industrial Development Corporation.** Recommendations delete this rider due to the abolishment of the program.
- 23. **Sunset Contingency.** Recommendations delete this rider due to completion of review.
- 24. **Contingency Appropriation for the Moving Image Industry Incentive Program.** Recommendations delete rider providing the agency with a contingent appropriation of \$22.0 million in General Revenue. Additional revenues were generated and appropriations increased during the 2016-17 biennium. The amounts are not included in the 2018-19 recommendations.
- 25. **Contingency for HB 1812.** Recommendations delete this rider as the bill did not pass.

- 26. **Emerging Technology Fund Contingency.** Recommendations delete this rider due to the completion of the transfer of funds.
- 31. **Texas Military Preparedness Grant Program.** Recommendations delete this rider due to the removal of one-time funding item.

Trusted Programs Within the Office of the Governor
 Items Not Included in Recommendations - Senate

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	None					
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TOTAL Items Not Included in Recommendations

**Trusted Programs Within the Office of the Governor
Appendices - Senate**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	13
B	Summary of Federal Funds	21
C	FTE Highlights	22
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	23

* Appendix is not included - no significant information to report

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
DISASTER FUNDS A.1.1	\$82,547,720	\$24,800,000	(\$57,747,720)	(70.0%)	
AGENCY GRANT ASSISTANCE A.1.2	\$6,807,271	\$2,335,156	(\$4,472,115)	(65.7%)	
DISABILITY ISSUES A.2.1	\$2,936,546	\$1,535,166	(\$1,401,380)	(47.7%)	
WOMEN'S GROUPS A.2.2	\$1,020,590	\$452,648	(\$567,942)	(55.6%)	
STATE-FEDERAL RELATIONS A.2.3	\$3,560,385	\$2,114,884	(\$1,445,501)	(40.6%)	
Total, Goal A, GRANT ASSISTANCE AND PROGRAMS	\$96,872,512	\$31,237,854	(\$65,634,658)	(67.8%)	
CRIMINAL JUSTICE B.1.1	\$475,753,529	\$585,799,001	\$110,045,472	23.1%	
COUNTY ESSENTIAL SERVICE GRANTS B.1.2	\$2,993,667	\$2,340,666	(\$653,001)	(21.8%)	
HOMELAND SECURITY B.1.3	\$196,412,460	\$193,730,926	(\$2,681,534)	(1.4%)	
Total, Goal B, CRIMINAL JUSTICE ACTIVITIES	\$675,159,656	\$781,870,593	\$106,710,937	15.8%	
ECONOMIC DEVELOPMENT C.1.1	\$74,994,274	\$32,864,739	(\$42,129,535)	(56.2%)	
TOURISM C.1.2	\$89,521,587	\$35,736,121	(\$53,785,466)	(60.1%)	
FILM AND MUSIC MARKETING C.1.3	\$60,779,611	\$9,987,681	(\$50,791,930)	(83.6%)	
TEXAS ENTERPRISE FUND C.1.4	\$107,959,920	\$43,000,000	(\$64,959,920)	(60.2%)	
MILITARY PREPAREDNESS C.1.5	\$43,140,991	\$1,493,485	(\$41,647,506)	(96.5%)	
UNIVERSITY RESEARCH INITIATIVE C.1.6	\$39,881,307	\$0	(\$39,881,307)	(100.0%)	
Total, Goal C, ECONOMIC DEVELOPMENT AND TOURISM	\$416,277,690	\$123,082,026	(\$293,195,664)	(70.4%)	

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$1,188,309,858	\$936,190,473	(\$252,119,385)	(21.2%)	Recommendations reflect funding at or below 2016-17 appropriated levels across most strategies. Recommendations include a decrease of \$220.3 million in General Revenue Funds; a decrease of \$139.6 million in General Revenue-Dedicated Funds; a decrease of \$51.4 million in Other Funds; offset by an increase of \$159.2 million in Federal Funds primarily related to the Crime Victims Assistance grants.

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
DISASTER FUNDS A.1.1	\$82,273,332	\$24,800,000	(\$57,473,332)	(69.9%)	Recommendations reflect funding at the 2016-17 appropriated level and an increase of \$10.0 million transferred from the body camera program in B.1.1, Criminal Justice.
AGENCY GRANT ASSISTANCE A.1.2	\$6,807,271	\$2,335,156	(\$4,472,115)	(65.7%)	Recommendations reflect funding at the 2016-17 appropriated level.
DISABILITY ISSUES A.2.1	\$2,936,546	\$1,535,166	(\$1,401,380)	(47.7%)	Recommendations reflect funding at the 2016-17 appropriated level.
WOMEN'S GROUPS A.2.2	\$1,020,590	\$452,648	(\$567,942)	(55.6%)	Recommendations reflect funding at the 2016-17 appropriated level.
STATE-FEDERAL RELATIONS A.2.3	\$3,224,385	\$1,778,884	(\$1,445,501)	(44.8%)	Recommendations reflect funding at the 2016-17 appropriated level.
Total, Goal A, GRANT ASSISTANCE AND PROGRAMS	\$96,262,124	\$30,901,854	(\$65,360,270)	(67.9%)	
CRIMINAL JUSTICE B.1.1	\$71,944,115	\$65,334,351	(\$6,609,764)	(9.2%)	Recommendations primarily reflect a decrease of \$10.0 million related to the discontinuation of the body camera grant program; a decrease of \$19.2 million related to the transfer of border security funding to B.1.3, Homeland Security, offset by a \$25.0 million increase related to bullet-resistant personal body armor grants.
COUNTY ESSENTIAL SERVICE GRANTS B.1.2	\$2,993,667	\$2,340,666	(\$653,001)	(21.8%)	Recommendations reflect funding at the 2016-17 appropriated level.
HOMELAND SECURITY B.1.3	\$25,194,926	\$25,194,926	\$0	0.0%	
Total, Goal B, CRIMINAL JUSTICE ACTIVITIES	\$100,132,708	\$92,869,943	(\$7,262,765)	(7.3%)	
ECONOMIC DEVELOPMENT C.1.1	\$22,703,018	\$10,980,435	(\$11,722,583)	(51.6%)	Recommendations reflect the agency's request for reduced funding to align with planned expenditures.
TOURISM C.1.2	\$87,932,414	\$34,336,121	(\$53,596,293)	(61.0%)	Recommendations reflect a decrease of \$34.3 million in GR-Hotel Occupancy Tax Collections related to the inclusion of a 1:1 match target for tourism industry funds; and a decrease of \$5.6 million related to the agency's request to remove GR as a method of finance for this strategy.
FILM AND MUSIC MARKETING C.1.3	\$60,713,450	\$9,955,681	(\$50,757,769)	(83.6%)	Recommendations reflect funding at the 2016-17 appropriated level and include a decrease of \$22.0 million related to Moving Image Industry Incentive funding previously certified by the Comptroller as offset by revenue.

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
TEXAS ENTERPRISE FUND C.1.4	\$0	\$0	\$0	0.0%	
MILITARY PREPAREDNESS C.1.5	\$33,140,991	\$1,493,485	(\$31,647,506)	(95.5%)	Recommendations reflect funding at the 2016-17 appropriated level and include a decrease of \$30.0 million related to one-time funding for grants to defense communities.
UNIVERSITY RESEARCH INITIATIVE C.1.6	\$0	\$0	\$0	0.0%	
Total, Goal C, ECONOMIC DEVELOPMENT AND TOURISM	\$204,489,873	\$56,765,722	(\$147,724,151)	(72.2%)	
Grand Total, All Strategies	\$400,884,705	\$180,537,519	(\$220,347,186)	(55.0%)	

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
DISASTER FUNDS A.1.1	\$0	\$0	\$0	0.0%	
AGENCY GRANT ASSISTANCE A.1.2	\$0	\$0	\$0	0.0%	
DISABILITY ISSUES A.2.1	\$0	\$0	\$0	0.0%	
WOMEN'S GROUPS A.2.2	\$0	\$0	\$0	0.0%	
STATE-FEDERAL RELATIONS A.2.3	\$0	\$0	\$0	0.0%	
Total, Goal A, GRANT ASSISTANCE AND PROGRAMS	\$0	\$0	\$0	0.0%	
CRIMINAL JUSTICE B.1.1	\$109,255,766	\$81,529,650	(\$27,726,116)	(25.4%)	Recommendations reflect a decrease of \$38.1 million related to the agency's funding request; a decrease of \$6.0 million related to a requested MOF swap not occurring in Strategy B.1.3, Homeland Security for Border Prosecution grants; offset by an a increase of \$16.4 million due to the direct appropriation of NIBRS funding in GR-Dedicated Radio Infrastructure Account No. 5153.
COUNTY ESSENTIAL SERVICE GRANTS B.1.2	\$0	\$0	\$0	0.0%	
HOMELAND SECURITY B.1.3	\$6,000,000	\$6,000,000	\$0	0.0%	
Total, Goal B, CRIMINAL JUSTICE ACTIVITIES	\$115,255,766	\$87,529,650	(\$27,726,116)	(24.1%)	
ECONOMIC DEVELOPMENT C.1.1	\$25,158,303	\$18,158,304	(\$6,999,999)	(27.8%)	Recommendations reflect a decrease of \$7.0 million in Economic Development Account No. 5106 related to the agency's funding request.
TOURISM C.1.2	\$0	\$0	\$0	0.0%	
FILM AND MUSIC MARKETING C.1.3	\$0	\$0	\$0	0.0%	
TEXAS ENTERPRISE FUND C.1.4	\$107,959,920	\$43,000,000	(\$64,959,920)	(60.2%)	Recommendations include \$43.0 million in estimated unexpended balances remaining at the end of FY 2017 and carried forward into the 2018-19 biennium. Recommendations do not include the agency's baseline request for approximately \$108.0 million in General Revenue to be transferred to Texas Enterprise Fund Account No. 5107.
MILITARY PREPAREDNESS C.1.5	\$0	\$0	\$0	0.0%	

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
UNIVERSITY RESEARCH INITIATIVE C.1.6	\$39,881,307	\$0	(\$39,881,307)	(100.0%)	Recommendations do not include the agency's baseline request for \$40.0 million in General Revenue to be transferred to Governor's University Research Initiative Fund Account No. 5161.
Total, Goal C, ECONOMIC DEVELOPMENT AND TOURISM	\$172,999,530	\$61,158,304	(\$111,841,226)	(64.6%)	
Grand Total, All Strategies	\$288,255,296	\$148,687,954	(\$139,567,342)	(48.4%)	

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- OTHER FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
DISASTER FUNDS A.1.1	\$274,388	\$0	(\$274,388)	(100.0%)	Recommendations include a decrease related to anticipated Appropriated Receipts revenues.
AGENCY GRANT ASSISTANCE A.1.2	\$0	\$0	\$0	0.0%	
DISABILITY ISSUES A.2.1	\$0	\$0	\$0	0.0%	
WOMEN'S GROUPS A.2.2	\$0	\$0	\$0	0.0%	
STATE-FEDERAL RELATIONS A.2.3	\$336,000	\$336,000	\$0	0.0%	
Total, Goal A, GRANT ASSISTANCE AND PROGRAMS	\$610,388	\$336,000	(\$274,388)	(45.0%)	
CRIMINAL JUSTICE B.1.1	\$16,388,348	\$10,000	(\$16,378,348)	(99.9%)	Recommendations reflect a decrease due to the direct appropriation of NIBRS funding in GR-Dedicated Radio Infrastructure Account No. 5153.
COUNTY ESSENTIAL SERVICE GRANTS B.1.2	\$0	\$0	\$0	0.0%	
HOMELAND SECURITY B.1.3	\$0	\$0	\$0	0.0%	
Total, Goal B, CRIMINAL JUSTICE ACTIVITIES	\$16,388,348	\$10,000	(\$16,378,348)	(99.9%)	
ECONOMIC DEVELOPMENT C.1.1	\$26,032,953	\$1,526,000	(\$24,506,953)	(94.1%)	Recommendations reflect a decrease to remove the revolving loan repayments for the Small Business Incubator and Texas Product Development Funds.
TOURISM C.1.2	\$1,589,173	\$1,400,000	(\$189,173)	(11.9%)	Recommendations include a decrease related to anticipated Appropriated Receipts and License Plate Trust Fund revenues.
FILM AND MUSIC MARKETING C.1.3	\$66,161	\$32,000	(\$34,161)	(51.6%)	Recommendations include a decrease related to anticipated Appropriated Receipts and License Plate Trust Fund revenues.
TEXAS ENTERPRISE FUND C.1.4	\$0	\$0	\$0	0.0%	
MILITARY PREPAREDNESS C.1.5	\$10,000,000	\$0	(\$10,000,000)	(100.0%)	Recommendations include an decrease of \$10.0 million in General Obligation Bond Proceeds for unissued bond authority related to the Military Revolving Loan Program, as authorized by Article III, Sec. 49(n) of the Texas Constitution.
UNIVERSITY RESEARCH INITIATIVE C.1.6	\$0	\$0	\$0	0.0%	

Trusted Programs Within the Office of the Governor
Funding Changes and Recommendations - Senate, by Strategy -- OTHER FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Total, Goal C, ECONOMIC DEVELOPMENT AND TOURISM	\$37,688,287	\$2,958,000	(\$34,730,287)	(92.2%)	
Grand Total, All Strategies	\$54,687,023	\$3,304,000	(\$51,383,023)	(94.0%)	

Trusted Programs Within the Office of the Governor
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Crime Victims Assistance	\$85.4	\$128.5	\$190.0	\$190.0	\$213.9	\$380.0	62.9%	\$166.1	77.7%
Homeland Security Grant Program*	\$82.3	\$82.3	\$80.6	\$80.6	\$164.6	\$161.2	26.7%	(\$3.4)	(2.1%)
Edward Byrne Memorial Justice Assistance Grant	\$17.2	\$14.5	\$13.3	\$13.3	\$31.7	\$26.5	4.4%	(\$5.2)	(16.3%)
Violence Against Women Formula Grants	\$8.5	\$10.5	\$10.8	\$11.0	\$19.1	\$21.8	3.6%	\$2.7	14.1%
Juvenile Justice & Delinquency Prevention-Allocation to States	\$3.2	\$3.3	\$3.0	\$3.0	\$6.5	\$6.0	1.0%	(\$0.5)	(7.8%)
Workforce Investment Act - Adult	\$0.6	\$0.6	\$1.1	\$1.1	\$1.1	\$2.2	0.4%	\$1.1	100.0%
Residential Substance Abuse Treatment for State Prisoners	\$1.1	\$0.9	\$0.9	\$0.9	\$2.0	\$1.8	0.3%	(\$0.2)	(8.1%)
Sexual Assault Services Formula Program	\$0.6	\$0.8	\$0.8	\$0.8	\$1.4	\$1.5	0.2%	\$0.1	7.1%
Paul Coverdell Forensic Sciences Improvement Grant Program	\$0.6	\$0.7	\$0.7	\$0.7	\$1.3	\$1.4	0.2%	\$0.1	5.7%
Urban Area Security Initiative-non profit	\$0.3	\$0.3	\$0.7	\$0.7	\$0.6	\$1.4	0.2%	\$0.8	125.0%
All Other Grants	\$2.0	\$0.3	\$0.0	\$0.0	\$2.4	\$0.0	0.0%	(\$2.4)	(100.0%)
TOTAL:	\$201.8	\$242.7	\$301.7	\$302.0	\$444.5	\$603.7	100.0%	\$159.2	35.8%

* Homeland Security Grant funding was transferred to the agency from the Department of Public Safety in fiscal year 2016.

**Trusted Programs Within the Office of the Governor
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	157.3	168.3	168.3	193.3	193.3
Actual/Budgeted	136.4	149.0	181.8	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director (OSFR), Group 3	\$127,500	\$141,338	\$141,338	\$141,338	\$141,338

Notes:

a) The State Auditor's Office Reports, Executive Compensation at State Agencies (Report 16-706, August 2016), indicates a market average salary of \$126,311 for the Executive Director position (OSFR) and recommends a salary within Group 3. The agency is not requesting any changes to its Exempt Position. In FY 2014, the Governor increased the salary of the OSFR Executive Director from \$127,500 to \$131,125 as allowed by Article IX, Sec. 3.04 (b)(3).

b) The agency indicates 13.5 new federally funded FTEs were added in the 2016-17 biennium and 11.5 additional federally funded FTEs will be added in the 2018-19 biennium. The additional FTEs are not subject to the FTE Cap limitations in accordance with Article IX, Sec. 6.10 (h).

Trusted Programs Within the Office of the Governor
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate

Agency submitted reductions to 11 of 14 strategies that primarily reflected approximately 10 percent reductions proportional to the program's base amounts. Partial reductions included in recommendations are related to the decrease of agency requested amounts to 2016-17 biennium appropriated amounts to remove the carry forward of unexpended balances.

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Agency Grant Assistance	Reduction would decrease funding to Strategy A.1.2, which provides funding for deficiency grants to state agencies.	\$653,498	\$653,498	0.0	\$0	9.6%	No
2)	Disability Issues	Reduction would decrease funding to Strategy A.2.1, which provides funding to inform organizations and the general public of disability issues.	\$281,908	\$281,908	0.0	\$0	9.6%	No
3)	Women's Groups	Reduction would decrease funding to Strategy A.2.2, which provides funding to network statewide women's groups in Texas.	\$97,976	\$97,976	0.0	\$0	9.6%	Yes
4)	State-Federal Relations	Reduction would decrease funding to Strategy A.2.3, which provides funding to administer relations between the state and federal governments.	\$309,540	\$309,540	0.0	\$0	9.6%	Yes
5)	Criminal Justice	Reduction would decrease funding to Strategy B.1.1, which provides funding and research to promote program for criminal justice.	\$51,786,140	\$51,786,140	0.0	\$0	30.6%	Partial
6)	County Essential Service Grants	Reduction would decrease funding to Strategy B.1.2, which provides financial assistance to counties for essential public services.	\$287,392	\$287,392	0.0	\$0	9.6%	Yes
7)	Homeland Security	Reduction would decrease funding to Strategy B.1.3, which provides funding to direct and coordinate homeland security activities in Texas.	\$287,514	\$287,514	0.0	\$0	9.6%	No
8)	Economic Development	Reduction would decrease funding to Strategy C.1.1, which provides funding to enhance the economic growth of Texas.	\$9,718,748	\$9,718,748	0.0	\$0	20.3%	No
9)	Tourism	Reduction would decrease funding to Strategy C.1.2, which provides funding to promote Texas to attract tourism and generate economic growth.	\$7,902,254	\$7,902,254	0.0	\$0	9.0%	Yes
10)	Film and Music Marketing	Reduction would decrease funding to Strategy C.1.3, which provides funding to market Texas as a film location and promote the Texas music industry.	\$5,828,482	\$5,828,482	0.0	\$0	9.6%	Yes
11)	Military Preparedness	Reduction would decrease funding to Strategy C.1.5, which provides funding to advise the Governor and Legislature on military issues.	\$3,181,536	\$3,181,536	0.0	\$0	9.6%	Yes
TOTAL, 10% Reduction Options			\$80,334,988	\$80,334,988	0.0	\$0		