

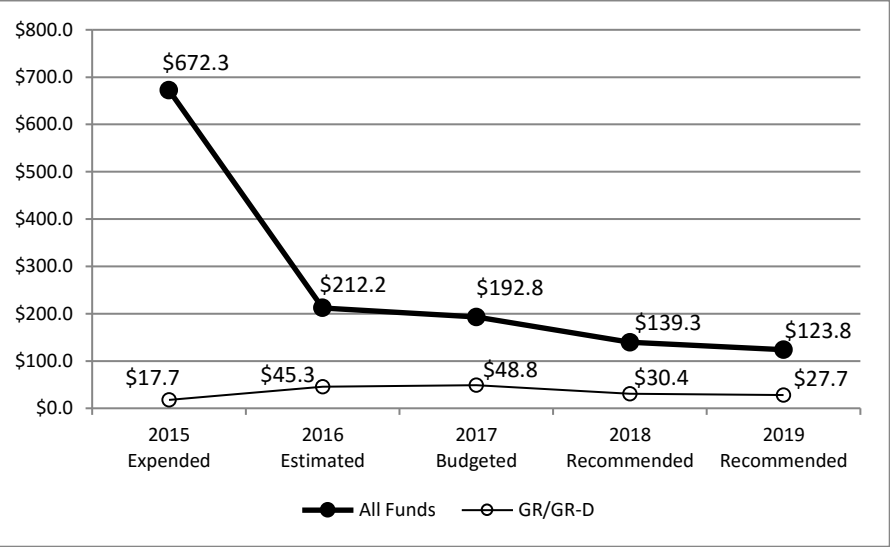
General Land Office and Veterans' Land Board  
Summary of Recommendations - Senate

Page VI-28  
George P. Bush, Commissioner  
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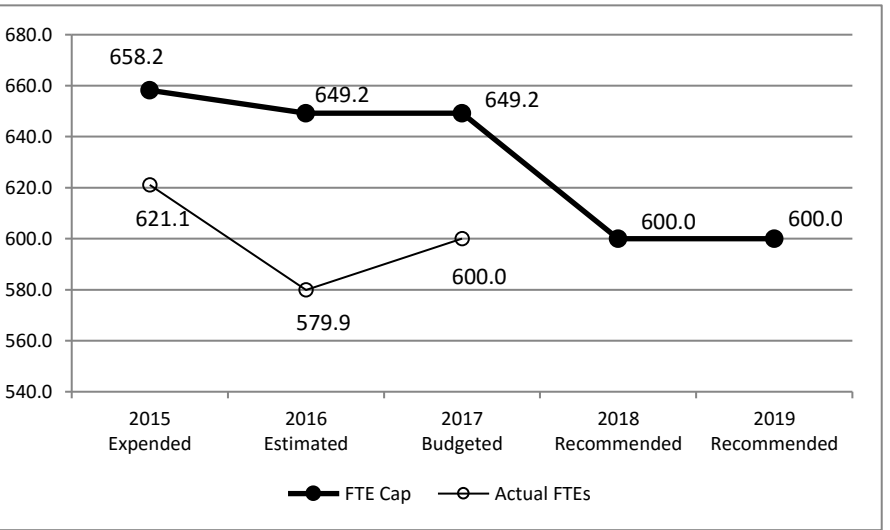
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$64,187,638	\$28,933,365	(\$35,254,273)	(54.9%)
GR Dedicated Funds	\$29,917,995	\$29,171,048	(\$746,947)	(2.5%)
Total GR-Related Funds	\$94,105,633	\$58,104,413	(\$36,001,220)	(38.3%)
Federal Funds	\$210,328,471	\$105,345,416	(\$104,983,055)	(49.9%)
Other	\$100,623,305	\$99,640,321	(\$982,984)	(1.0%)
All Funds	\$405,057,409	\$263,090,150	(\$141,967,259)	(35.0%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	600.0	600.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 36.5% of the agency's estimated total available funds for the 2018-19 biennium.

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

**Section 2**

<b>Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)</b>	<b>General Revenue</b>	<b>GR-Dedicated</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>All Funds</b>	<b>Strategy in Appendix A</b>
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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)	Decrease in Alamo funding for one-time expenditures: 1) Capital improvements in the Alamo complex (\$5.2 million) 2) Alamo Master Plan and Needs Assessment (\$25.0 million)	(\$30.2)	\$0.0	\$0.0	\$0.0	(\$30.2)	A.3.1
B)	Decreases in funding for the following completed capital budget projects: 1) Alamo Complex Information Technology (\$817,625 in GR) 2) Oil and Gas Inspection Rewrite (\$500,000 in GR) 3) Mobile Application for Oil Spill (\$500,000 in GR-D Coastal Protection Account No. 27) 4) Oil Bilge Reclamation System (\$35,081 in GR-D No. 27) 5) Information Security Initiative (\$635,275 in Permanent School Fund No. 44) 6) Automated Field Operations System (\$250,000 in PSF No. 44)	(\$1.3)	(\$0.5)	\$0.0	(\$0.9)	(\$2.7)	A.1.1, A.1.4, A.2.1, A.3.1, B.2.1, B.2.2
C)	Decrease in funding for closure of Rollover Pass submitted in the agency's 4 percent reduction.	(\$3.8)	\$0.0	\$0.0	\$0.0	(\$3.8)	B.1.2
D)	Overall decrease in Federal Funding due to the following: 1) Decrease in Community Development Block Grants (CDBG) for Disaster Recovery primarily for programs providing grants for Hurricane Ike and the Bastrop Wildfires that are no longer anticipated to be available (decrease of \$134.7 million); 2) Increase in CDBG funding for two new grants for flood events in 2015 (\$33.8 million) and 2016 (\$30.1 million), See Section 3a, Summary of Federal Funds; 3) Decrease in Coastal Impact Assistance Program (CIAP) funding as the program ends on December 31, 2016 (\$27.9 million); and 4) Decrease in funding for oil and gas grants, coastal management grants, and state cemetery grants that are not expected to be renewed (\$6.3 million).	\$0.0	\$0.0	(\$105.0)	\$0.0	(\$105.0)	A.1.1, B.1.1, B.1.2, B.2.2, C.1.3, D.1.1, D.1.2
E)	Decrease in funding for vehicle replacements that do not meet the requirement of having 150,000 miles or being 10 years old.	\$0.0	(\$0.2)	\$0.0	(\$0.1)	(\$0.3)	A.2.1, A.2.2, C.1.2, C.1.3

<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>	<b>(\$35.3)</b>	<b>(\$0.7)</b>	<b>(\$105.0)</b>	<b>(\$1.0)</b>	<b>(\$142.0)</b>	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>	(\$35.3)	(\$0.7)	(\$105.0)	(\$1.0)	(\$142.0)	As Listed

NOTE: Totals may not sum due to rounding.

**General Land Office  
Selected Fiscal and Policy Issues - Senate**

1. **Alamo Funding:** Recommendations include \$9.1 million (\$0.5 million in General Revenue and \$8.5 million in GR-Dedicated Alamo Complex Account No. 5152) for the operation and continued maintenance of the Alamo. This reflects a decrease of \$31.0 million in General Revenue from 2016-17 levels, which included \$25.0 million for GLO to develop a master plan, \$5.2 million for capital improvements and repairs, and \$0.8 million in General Revenue for the completed Alamo Complex Information Technology project (see item #2 below). See also, Rider Highlights - Senate #18 and #23. In addition to the \$5.0 million appropriated for capital improvements and repairs, GLO spent an additional \$0.2 million in General Revenue funds for this purpose, which are removed. See also, Items Not Included in Recommendations - Senate #1.

The enactment of House Bill 3726 by the Eighty-second Legislature, Regular Session, placed the Alamo Complex under the jurisdiction of the GLO and authorized GLO to contract with a non-profit organization to manage the facility. Subsequently, the Alamo Endowment was created to raise funds and provide services for the preservation and maintenance of the Alamo. In July 2015, GLO entered into a management agreement with Alamo Complex Management (Alamo Endowment's 501(c)(3) organization) to manage daily operations. In October 2015, the Alamo Endowment Board and the City of San Antonio entered into an agreement to complete a Master Plan for the future development of the Alamo pursuant to the enactment of House Bill 2968 by the Eighty-fourth Legislature, Regular Session. GLO provided a report to the Legislature on the Master Plan on December 1, 2016.

In fiscal year 2017, GLO estimates more than 2.5 million people will visit the Alamo Shrine and gift shop revenues are estimated to be surpass \$6.0 million. In 2015, the United Nations Educational, Scientific and Cultural Organization (UNESCO) designated the Alamo as a World Heritage Site.

2. **Completed Capital Budget Projects:** Recommendations include a decrease of \$2.7 million (\$1.8 million in General Revenue and GR-Dedicated Coastal Protection Account No. 27 and \$0.9 million in Permanent School Fund No. 44) for the following completed capital budget projects:
  - a) Alamo Complex Information Technology (\$817,625 in GR)
  - b) Oil and Gas Inspection Rewrite (\$500,000 in GR): This is an ongoing project. Recommendations include \$2.0 million in Permanent School Fund (PSF) No. 44 funds for the project instead of General Revenue in 2018-19 (see item #7 below)
  - c) Mobile Application for Oil Spill (MAFOS) (\$500,000 GR-D Coastal Protection Account No. 27)
  - d) Oil Bilge Reclamation System (\$35,081 in GR-D No. 27): This is a completed project with ongoing maintenance costs of \$24,000 per year. Recommendations continue \$48,000 in GR-D No. 27.
  - e) Information Security Initiative (\$635,275 in PSF No. 44)
  - f) Automated Field Operations System (AFOS) (\$250,000 in PSF No.44)
3. **Closure of Rollover Pass on Bolivar Peninsula:** Recommendations continue \$2.0 million in General Revenue to complete the closure of Rollover Pass. This includes a reduction of \$3.8 million that was submitted in the agency's 4 percent reduction. Rollover Pass was constructed in the 1950s for recreational fishing, but has been a major source of erosion of neighboring beaches and contributed to the damage caused by Hurricane Ike in 2008. The Eighty-first Legislature, Regular Session, authorized GLO to close Rollover Pass and appropriated \$5.9 million from General Revenue for that purpose with the expectation that closing the pass would reduce the severity of future storm damage to coastal properties. Closure of the pass had been delayed because of federal litigation involving the landowner. The agency reports that the case has been dismissed and estimates a solicitation for a contractor to close the pass will be posted in the first quarter of calendar year 2017, with construction expected to begin on the closure in spring of 2017. See also, Rider Highlights - Senate #19.

4. **Federal Funds:** Recommendations estimate appropriations of \$105.3 million in Federal Funds, which includes a reduction of \$105.0 million, or 49.9 percent, for the following:

**a) Community Development Block Grants (CDBG).** Recommendations include a decrease of \$70.8 million in all CDBG funds to reflect funds that are no longer anticipated to be available and new funding:

- Funds that are anticipated to no longer be available include:
  - \$133.3 million for housing and related infrastructure grant awards for Hurricane Ike and Central Texas Wildfires. See also, Summary of Federal Funds (2018-19) - Senate, and
  - \$1.4 million for entitlement communities and other disaster-related funding.
- **New flood funds:** The Department of Housing and Urban Development (HUD) has announced CDBG awards of \$50.7 million to Texas for flooding in 2015 and \$45.2 million for flooding in 2016. Recommendations include budget authority for one-third of this amount in 2018 and one-third in 2019 in anticipation of GLO spending two-thirds of the total award (\$63.9 million) within the biennium. See also, Summary of Federal Funds (2018-19) - Senate.

GLO is the lead disaster recovery agency for Texas through the Community Development and Revitalization (CDR) Program, which is administered by HUD. The CDR Program has managed CDBG funds for disaster recovery in the amount of \$503 million for Hurricane Rita, \$3.1 billion for Hurricanes Dolly and Ike, and \$36 million for the 2011 Bastrop Wildfire. These funds can vary widely from year to year as they are dependent on presidentially-declared natural disasters.

**b) Coastal Impact Assistance Program (CIAP).** Recommendations reflect a reduction of \$27.9 million in CIAP funds due to the program ending on December 31, 2016. Congress allocated over \$109 million to Texas in 2007 through the U.S. Fish and Wildlife Service to be used in the 18 coastal counties from Sabine Pass to the Rio Grande primarily for:

- conservation, protection, or restoration of coastal areas, including wetlands;
- mitigation of damage to fish, wildlife, or natural resources; and
- implementing a federally approved marine, coastal, or comprehensive conservation management plan.

CIAP is funded by royalties from offshore oil and gas leases in federal waters. Texas had received \$109.3 million in CIAP funds when the program ended in December 2016. See also, Summary of Federal Funds (2018-19) - Senate.

**c) Reductions in Various Funds.** Recommendations include a reduction of \$6.3 million in grant funding for oil and gas, coastal management, and cemeteries that are no longer expected to be available.

#### 5. **Capital Budget**

**a) Authority.** Recommendations continue capital budget authority to allow the agency to increase expenditures without limitation, subject to a cap of 125 percent of each year's aggregate capital budget appropriation. The Eighty-fourth Legislature considered applying restrictions included under Article IX, Sec. 14.03, Limitations on Expenditures-Capital Budget, to the agency's capital budget authority and elected not to do so. See also, Items Not Included in Recommendations - Senate #6.

**b) Data Center Services (DCS).** Recommendations include a new capital budget project to maintain current obligations for email and imagery services in the amount of \$183,960 each fiscal year. Although no DCS project was identified in the agency's 2016-17 Capital Budget Rider by the Eighty-fourth Legislature, the Department of Information Resources (DIR) identified agency expenditures of \$121,377 in fiscal year 2016 and \$119,616 in fiscal year 2017 for email service costs.

6. **Permanent School Fund (PSF) No. 44:** Recommendations include \$36.7 million in appropriations from the Permanent School Fund No. 44 (PSF 44) for the management of state PSF lands and mineral-rights properties, which includes an increase of approximately \$3.0 million for the following new capital budget projects:
- a) \$2.0 million to fund a major update to the oil and gas inspection system which is used to collect voluntary royalty revenue in excess of \$350.0 million per year;
  - b) \$0.5 million to fund replacement of the current, outdated appraisal system; and
  - c) \$0.5 million to fund new asset and lease management application that supports the PSF.

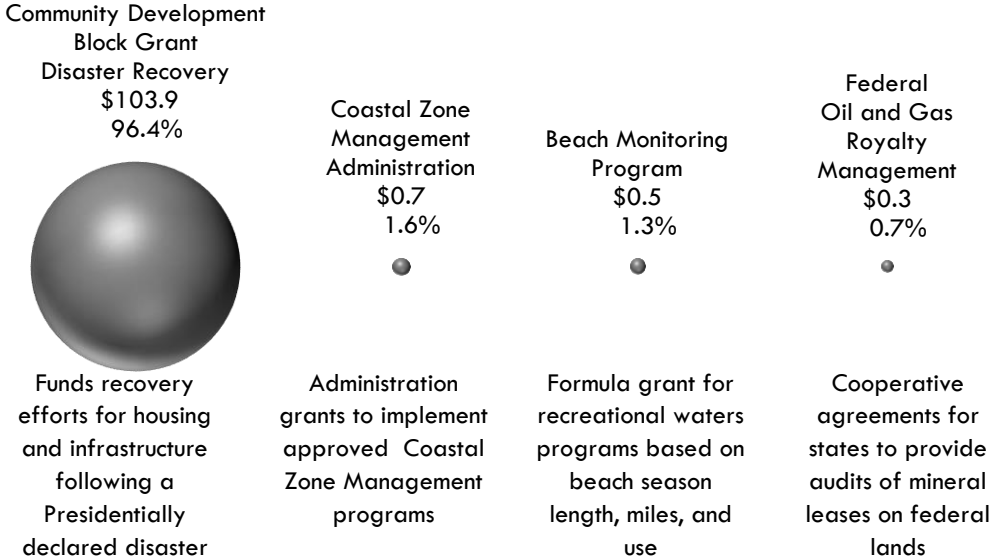
PSF lands total approximately 14.1 million acres including beaches, bays, estuaries and other submerged lands out to 10.3 miles into the Gulf of Mexico; institutional acreage; grazing lands in West Texas; and Timberlands in East Texas. GLO leases drilling rights for oil and gas on these lands which produces revenue and royalties. The agency also evaluates PSF land and acquires or disposes of selected tracts through purchase, sale, or trade. The proceeds from revenue, royalties, and land sales may be used for the acquisition of additional real property interests for the PSF or for limited transfers from the PSF to the Available School Fund (ASF) each year.

During the 2014-15 biennium, GLO sold 31 real estate assets totaling \$86.2 million and transferred \$280.0 million to the corpus of the PSF for equity investment by the State Board of Education. GLO is expected to transfer \$375.0 million to the PSF during the 2016-17 biennium and \$490.0 million during the 2018-19 biennium.

In addition to the PSF distribution to the ASF governed by Section 5(a), Article VII, Texas Constitution, and Section 43.002 of the Education Code, Section 5(g), Article VII, Texas Constitution, authorizes the GLO, in its sole discretion, to distribute revenue from PSF land or properties directly to the ASF in an amount not to exceed \$300.0 million each year. The last \$300.0 million direct contribution made to the ASF from the PSF by GLO was in fiscal year 2013.

7. **Vehicle Replacements:** Recommendations provide funding of \$0.3 million in All Funds to replace 18 vehicles that meet age (10 years) and/or mileage (150,000 miles) requirements. The agency included \$0.6 million in All Funds in its baseline request and recommendations reduce funding by \$0.2 million in GR-D No. 27 and \$0.1 million in PSF No. 44 for vehicles that did not meet the requirements for replacement.
8. **Transfer Authority:** Recommendations continue transfer authority for appropriations between Strategies D.1.1, Rebuild Housing, and D.1.2, Rebuild Infrastructure, both involving disaster recovery. See also, Rider Highlights - Senate #17 and Items Not Included in Recommendations - Senate #5.
9. **PC and Laptop Replacements:** Recommendations provide funding of \$0.6 million in PSF No. 44 to replace 320 desktop computers, 98 laptops, and 30 tablets that are running the Windows 7 operating system.

General Land Office and Veterans' Land Board  
Summary of Federal Funds (2018 - 19) - Senate

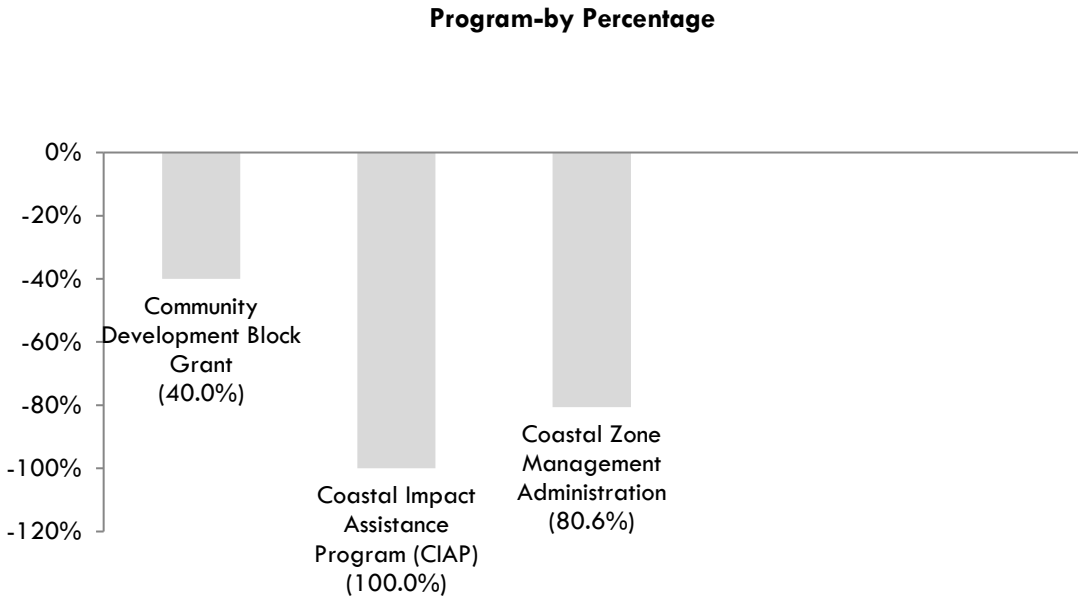
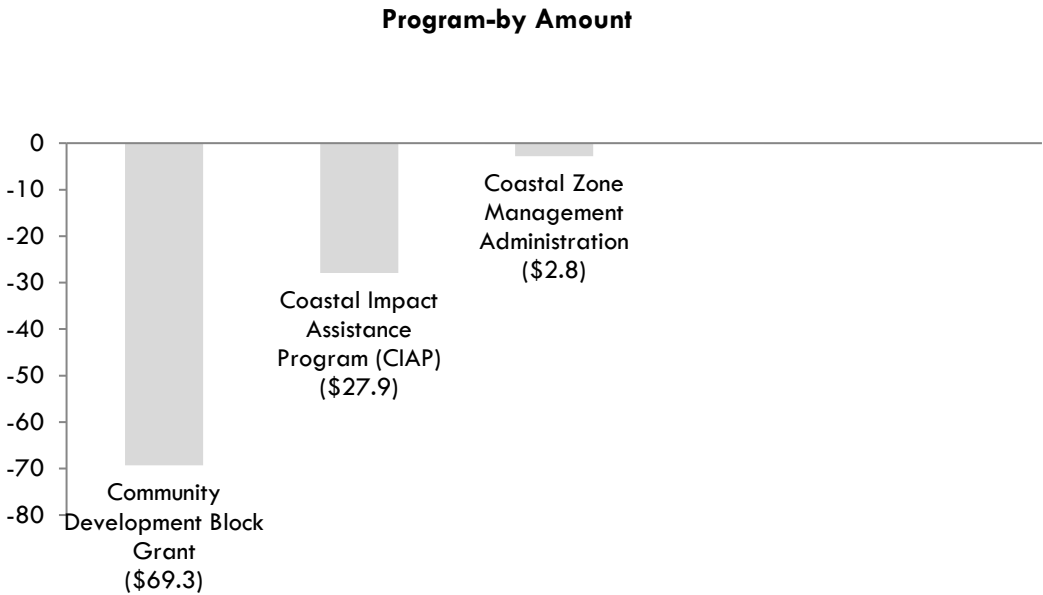


**Selected Federal Fiscal and Policy Issues**

1. LBB recommendations increase Federal Funds expenditures for the 2018-19 biennium by \$63.9 million. The increase is attributable to two CDBG awards for \$50.6 and \$45.2 million for 2015 and 2016 flooding events that were not included in the agency's LAR.

2. CIAP funds must be expended by no later than December 31, 2016. This results in a decrease of \$27.9 million from the 2016-17 biennium. The agency has been awarded \$8.2 million for coastal projects through Deepwater Horizon Settlements.

Programs with Significant Federal Funding Changes from 2016 - 17



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

**Section 3b**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
Cap	658.2	649.2	649.2	600.0	600.0
Actual/Budgeted	621.1	579.9	600.0	NA	NA

<b>Schedule of Exempt Positions (Cap)</b>					
Land Commissioner, Group 5 (1)	\$137,500	\$140,938	\$140,938	\$140,938	\$140,938

**Notes:**

Recommendations include 600.0 FTEs for the 2018-19 biennium as the agency requested. This is a decrease of 49.2 FTEs (a reduction of 8.2 percent) from the 2016-17 biennium.

In 2016, the agency reports 579.9 FTEs, which is 69.3 FTEs below its current cap. The agency reports that: a) 22.0 of these FTEs are unfunded; b) 4.0 FTEs are unfunded as a result of the contingency requirement of Rider 20, Contingency Appropriation for Disaster Recovery Program, not being met which resulted in a General Revenue lapse; c) 33.0 FTEs result from savings from Community Development and Revitalization; and d) 10.3 FTEs are the result of turnover.

In 2017, the agency will be 49.2 FTEs below its cap. The agency reports that: a) 22.0 of these FTEs are unfunded; b) 4.0 FTEs are unfunded as a result of the contingency requirement of Rider 20, Contingency Appropriation for Disaster Recovery Program, not being met which resulted in a General Revenue lapse; and c) 23.2 FTEs result from savings from Community Development and Revitalization.

**General Land Office  
Rider Highlights - Senate**

**Modification of Existing Riders**

2. **Capital Budget.** Recommendations include various changes to Capital Budget items in alignment with funding decisions. See also, Selected Fiscal and Policy Issues - Senate #2, #5, and #6 and Rider #17 below.
5. **Appropriation: Defense of Title to Permanent School Fund Real Property and Prosecution of Mineral Lease Claims or Cases.** Rider language is modified to reflect an increase of \$255,764 in Appropriated Receipts in each fiscal year that is expected to be available for the defense of title to Permanent School Fund (PSF) real property and related activities.
9. **Appropriation: Shared Project Funds.** Rider language is modified to reflect an increase of \$375,000 in fiscal year 2018 and a decrease of \$125,000 in fiscal year 2019 in Appropriated Receipts to reflect the estimated amount of receipts from shared coastal erosion control projects the agency expects to be available.
11. **Appropriation: Receipts and Account Balances for Surface Damages.** Rider language is modified to reflect an expected increase of \$2,048,533 each fiscal year out of the PSF No. 44 (Other Funds) for an expected increase in activities relating to conservation and reclamation projects, improvements to PSF real property, grants to lessees of PSF real property, and for maintaining and removing debris from public beaches within threatened areas. See also, Selected Fiscal and Policy Issues - Senate #6.
12. **Marketing, Acquisition, Disposition, and Management of Real Property Purchased by the Permanent School Fund.** Rider language is modified to reflect an increase of \$707,459 out of the PSF No. 44 in each fiscal year of the biennium, for an expected increase in funds generated by the leasing of PSF real property surface interests to pay reasonable and necessary costs for the marketing, acquisition, disposition, and management of real property purchased with proceeds of the PSF. See also, Selected Fiscal and Policy Issues - Senate #6.
14. **Interagency Contract with the Texas Veterans Commission.** Rider language is modified to reflect an increase of \$1,328 in the Interagency Contract amount between the GLO and the Texas Veterans Commission each fiscal year to cover the cost of the 2.5 percent salary increase provided in 2016-17.
17. **Appropriation: Preservation and Maintenance of the Alamo.** Rider language is modified to cite the amount of General Revenue included in each fiscal year for preservation and maintenance of the Alamo (\$277,576 in fiscal year 2018 and \$241,336 in fiscal 2019). This reflects decreased funding resulting from one-time Capital Budget projects in 2016-17: Alamo Complex Construction and Renovation (\$25.0 million); Alamo Master Planning, Renovation, and Land Acquisition (\$5.2 million); and Alamo Complex Information Technology (\$0.8 million). Rider language is also modified to reflect continued funding out of the General Revenue-Dedicated Alamo Complex Account No. 5152 (Account 5152) at 2016-17 spending levels of \$8.5 million that resulted from the agency receiving increased revenues to the account in 2016-17 from additional sources, including rents on properties purchased near that Alamo Complex. Recommendations continue the estimated appropriation authority for Account 5152. See also, Selected Fiscal and Policy Issues - Senate #1, Items Not Included in Recommendations - Senate #1, and Rider #2 above.
19. **Closure of Rollover Pass.** Recommendations modify the rider to reflect that \$2.0 million is available to complete the closure of Rollover Pass, with unexpended balance authority within the biennium for the same purpose. See also, Selected Fiscal and Policy Issues - Senate #2.
21. **Transfer Authority.** Rider language relating to transfers between Strategies B.1.1, Coastal Management, and B.1.2, Coastal Erosion Control Grants, is removed to reflect passage of House Bill 158, Eighty-fourth Legislature, relating to the allocation and use of the proceeds from taxes imposed on the sale, storage, or use of sporting goods, and the subsequent direct appropriation of General Revenue to the agency for Coastal Programs in place of Interagency Contracts funding. That funding had previously been provided through an Interagency Contract with the Texas Parks



and Wildlife Department, and the agency needed flexibility because of gaps in the timing between disbursements of the Interagency Contract funding. Rider language providing for unlimited expended balance authority is retained between Strategy D.1.1, Rebuild Housing, and D.1.2, Rebuild Infrastructure, for the agencies' disaster recovery functions. See also, Selected Fiscal and Policy Issues - Senate #8 and Items Not Included in Recommendations - Senate #5.

#### Deleted Riders

16. **Appropriation: Coastal Management and Coast Erosion Control.** Recommendations delete the rider which referred to an Interagency Contract between the GLO and the Department of Parks and Wildlife (TPWD) to reflect a funding change by the Eighty-fourth Legislature, which replaced \$11.3 million in Interagency Contract funding from TPWD to a direct General Revenue appropriation to the GLO for coastal erosion control purposes from proceeds of the Sporting Goods Sales Tax transfer to the State Parks Account No. 64. Recommendations continue this direct General Revenue appropriation for 2018-19.
18. **Preservation and Maintenance of the Alamo Complex.** Recommendations delete the rider to reflect inclusion of all Alamo-related rider issues in Rider 16 (former Rider 17).
20. **Contingency Appropriation for Community Disaster Recovery Program.** Recommendations delete the rider because the funding included for 2016-17 (\$707,692 for the biennium) was lapsed.
23. **Alamo Master Plan and Comprehensive Needs Assessment.** Recommendations delete the rider to reflect the completion of the comprehensive needs assessment during fiscal year 2017, as well as the consolidation of all Alamo-related riders (See Rider 16). See also, Selected Fiscal and Policy Issues - Senate #1 and Items Not Included in Recommendations - Senate #1.

**General Land Office and Veterans' Land Board  
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 Item - In Agency Priority Order**

1)	<b>Preserve, Maintain, and Operate the Alamo Complex:</b> a) General Revenue funding is requested to continue developing the Alamo Master Plan and for operations, information technology, preservation, maintenance, property acquisition, historical artifact acquisition, building construction and renovation. See also, Selected Fiscal and Policy Issues - Senate #1, and  b) Amend Rider 16, Appropriation: Preservation and Maintenance of the Alamo, to cite the amount of General Revenue included in each fiscal year for preservation and maintenance of the Alamo; to provide unexpended balance authority for these General Revenue funds; and to prohibit the transfer and use of these funds for any other purpose. See also, Rider Highlights - Senate #17.	\$74,490,049	\$74,490,049	0.0	No	Yes	\$0
2)	<b>Texas Coastal Resiliency Implementation:</b> General Revenue funding is requested for a Texas Coastal Resiliency Master Plan and for additional disaster preparedness projects. See item #7 below.	\$30,000,000	\$30,000,000	0.0	No	Yes	\$0
3)	<b>Cybersecurity Enhancement:</b> General Revenue funding is requested to acquire commercial off-the-shelf applications to address information security risks, and to bring the agency into compliance with information security standards for state agencies under the Texas Administrative Code.	\$236,000	\$236,000	0.0	Yes	No	\$76,670
4)	<b>Voice Over Internet Protocol (VoIP) Transition:</b> General Revenue funding is requested to upgrade the agency's phone system in accordance with new protocols. According to the agency, the Department of Information Resources indicates the existing system will no longer be operable after March 2018.	\$952,265	\$952,265	0.0	Yes	Yes	\$120,000
5)	<b>Rider 21, Transfer Authority:</b> The agency is requesting that the rider be amended to expand the rider's authority and flexibility by allowing the agency to transfer any amounts appropriated between all items of appropriation. See also, Selected Fiscal and Policy Issues - Senate #8 and Rider Highlights - Senate #21.	\$0	\$0	0.0	No	No	\$0

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

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
6)	<b>New Rider, Capital Expenditures Authorized:</b> The agency is requesting a new rider to exempt the agency from capital budget limitations allowing it to spend any appropriated funds for the acquisition of capital budget items. See also, Selected Fiscal and Policy Issues - Senate #5a.	\$0	\$0	0.0	No	No	\$0
7)	<b>New Rider, Texas Coastal Resiliency Master Plan:</b> The agency is requesting the new rider in alignment with Exceptional Item #2 above to implement a Texas Coastal Resiliency Master Plan and fund additional disaster preparedness projects. The rider would include a reporting requirement and would also provide unexpended balance authority within the biennium.	\$0	\$0	0.0	No	No	\$0
<b>TOTAL Items Not Included in Recommendations</b>		<b>\$105,678,314</b>	<b>\$105,678,314</b>	<b>0.0</b>			<b>\$196,670</b>

**General Land Office  
Appendices - Senate**

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\* Information is included in the presentation section of the packet.

**General Land Office and Veterans' Land Board**  
**Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$10,610,015	\$12,606,676	\$1,996,661	18.8%	Recommendations include an increase of \$2.0 million in all funds for an upgrade to the Oil and Gas Inspection system which will replace the current outdated system and add mobile features for enhanced usability. The increase is comprised of: a) a GR decrease of \$0.7 million related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and the Veterans' Land Board) and for a change in the allocation of Indirect Administration and Support Costs; b) a Federal Funds decrease of \$0.3 million; and c) an increase in Other Funds (primarily the Permanent School Fund (PSF) No. 044) of \$3.0 million.
ENERGY MARKETING A.1.2	\$1,834,127	\$1,123,284	(\$710,843)	(38.8%)	Recommendations include a decrease of \$0.7 million from Appropriated Receipts (Other Funds) related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and the Veterans' Land Board).
DEFENSE AND PROSECUTION A.1.3	\$8,170,243	\$7,111,398	(\$1,058,845)	(13.0%)	Recommendations include a decrease of \$1.0 million from Other Funds (\$0.1 million decrease from PSF No. 044 and \$0.9 million decrease in Appropriated Receipts) related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and the Veterans' Land Board).
COASTAL AND UPLANDS LEASING A.1.4	\$7,115,346	\$6,615,007	(\$500,339)	(7.0%)	Recommendations include a decrease of \$0.5 million in all funds related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and the Veterans' Land Board) resulting from: a) a GR decrease of \$0.2 million and b) a decrease of \$0.3 million in Other Funds, mainly from Appropriated Receipts.

General Land Office and Veterans' Land Board  
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
ASSET MANAGEMENT A.2.1	\$17,185,441	\$16,721,296	(\$464,145)	(2.7%)	Recommendations include an increase of \$0.5 million in all funds resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance. The indirect administration allocation had remained consistent over time eventually needing to be rebalanced as other methods of financing were appropriated, such as general revenue and general revenue-dedicated for the Coastal Program and the Alamo. The agency characterizes this as a "true-up" to the current methods of financing: a) a decrease of \$0.1 million in GR, and b) a decrease of \$0.3 million in Other Funds (primarily from PSF No. 044) resulting from an increase of \$0.3 million for indirect administrative costs and a decrease of \$0.7 million for completion of the Information Security Initiative capital budget project.
SURVEYING AND APPRAISAL A.2.2	\$2,167,334	\$2,629,058	\$461,724	21.3%	Recommendations include an increase of \$0.5 million in Other Funds (primarily from PSF No. 044) for upgrading to a new appraisal system platform to replace the current unsupported development platform.
PRESERVE & MAINTAIN ALAMO COMPLEX A.3.1	\$40,049,865	\$9,059,816	(\$30,990,049)	(77.4%)	Recommendations include a decrease of \$31.0 million in GR for removal of the following completed capital budget projects: Alamo Master Plan and Comprehensive Needs Assessment (\$25.0 million), Preservation and Maintenance of the Alamo Complex (\$5.2 million), and Alamo Complex Information Technology project (\$0.8 million).
<b>Total, Goal A, ENHANCE STATE ASSETS</b>	<b>\$87,132,371</b>	<b>\$55,866,535</b>	<b>(\$31,265,836)</b>	<b>(35.9%)</b>	
COASTAL MANAGEMENT B.1.1	\$39,624,998	\$9,338,032	(\$30,286,966)	(76.4%)	Recommendations include a decrease of \$30.3 million in all funds from: a) an increase of \$0.5 million in GR; b) a decrease of \$31.5 million in Federal Funds due to the end in December 2016 of the Coastal Impact Assistance Program (CIAP) federal funding; and c) an increase of \$0.7 million in Appropriated Receipts (Other Funds).
COASTAL EROSION CONTROL GRANTS B.1.2	\$32,150,347	\$24,959,355	(\$7,190,992)	(22.4%)	Recommendations include a decrease of \$7.2 million in all funds from:

**General Land Office and Veterans' Land Board**  
**Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					<p>a) a decrease of \$3.8 million from GR taken primarily from funds designated for closure of Rollover Pass primarily to meet the 4 percent reduction and for removal of one-time expenditures for the Coastal Erosion Response Construction project;</p> <p>b) a decrease of \$1.3 million in Federal Funds due to the end in fiscal year 2016 of the Coastal Wetlands Planning and the Public Assistance Grants and the end in December 2016 of the Coastal Impact Assistance Program (CIAP); and</p> <p>c) a decrease of \$2.1 million in Appropriated Receipts (Other Funds) related to the closing of Coastal Erosion Planning &amp; Response Act (CEPRA) projects.</p>
OIL SPILL RESPONSE B.2.1	\$10,225,014	\$10,526,050	\$301,036	2.9%	<p>Recommendations include an increase of \$0.3 million in GR-D resulting from:</p> <p>a) a \$1.0 million increase in GR-D shifted from B.2.2 (below) related to oil spill response projects such as derelict vessels and structures;</p> <p>b) a decrease of \$0.5 million in GR-D for completion of the Mobile Application for Oil Spill (MAFOS) capital budget project; and</p> <p>c) a decrease of \$0.2 million for replacement vehicles that met neither the minimum age nor minimum mileage requirement.</p>
OIL SPILL PREVENTION B.2.2	\$9,836,000	\$9,019,833	(\$816,167)	(8.3%)	Recommendations include a decrease of \$0.8 million from GR-D resulting from shifting funds to B.2.1 (above).
<b>Total, Goal B, PROTECT THE COASTAL ENVIRONMENT</b>	<b>\$91,836,359</b>	<b>\$53,843,270</b>	<b>(\$37,993,089)</b>	<b>(41.4%)</b>	
VETERANS' LOAN PROGRAMS C.1.1	\$25,367,701	\$23,361,067	(\$2,006,634)	(7.9%)	Recommendations include a decrease of \$2.0 million in GR-D (from Veterans Land Program Administration Fund No. 522) related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and Veterans' Land Board).
VETERANS' HOMES C.1.2	\$8,743,272	\$8,070,282	(\$672,990)	(7.7%)	Recommendations include a decrease of \$0.7 million in GR-D (from Veterans Land Program Administration Fund No. 522) related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and Veterans' Land Board).

General Land Office and Veterans' Land Board  
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
VETERANS' CEMETERIES C.1.3	\$13,943,253	\$14,909,840	\$966,587	6.9%	Recommendations include an increase of \$1.0 million from all funds related to a reorganization of agency initiatives to support three main programs (Asset Enhancement, Coastal Protection, and Veterans' Land Board) resulting from: a) a decrease of \$1.2 million in Federal Funds, and b) an increase of \$2.1 million in Other Funds.
Total, Goal C, VETERANS' LAND BOARD (VLB)	\$48,054,226	\$46,341,189	(\$1,713,037)	(3.6%)	
REBUILD HOUSING D.1.1	\$136,762,103	\$55,970,650	(\$80,791,453)	(59.1%)	Recommendations include a decrease of \$80.8 million in all funds resulting from: a) a decrease of \$0.2 million in GR, and b) a decrease of \$80.6 million in Federal Funds, primarily because of the closing of Housing and Urban Development (HUD) grants related to disaster recovery, offset by the award of new disaster recovery grants.
REBUILD INFRASTRUCTURE D.1.2	\$41,272,350	\$51,068,506	\$9,796,156	23.7%	Recommendations include an increase of \$51.1 million in Federal Funds, primarily because of the award of new Housing and Urban Development (HUD) grants related to disaster recovery.
Total, Goal D, COMMUNITY DEVELOPMNT & REVITALIZATN	\$178,034,453	\$107,039,156	(\$70,995,297)	(39.9%)	
Grand Total, All Strategies	\$405,057,409	\$263,090,150	(\$141,967,259)	(35.0%)	



**General Land Office and Veterans' Land Board**  
**Summary of Federal Funds - Senate**  
**(Dollar amounts in Millions)**

**Appendix B**

<b>Program</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Rec 2018</b>	<b>Rec 2019</b>	<b>2016-17 Base</b>	<b>2018-19 Rec</b>	<b>2018-19 Rec % Total</b>	<b>Recommended Over/(Under) Base</b>	<b>% Change from Base</b>
Community Development Block Grants - Disaster Recovery	\$106.9	\$67.7	\$57.8	\$46.1	\$174.6	\$103.9	<b>98.6%</b>	<b>(\$70.8)</b>	<b>(40.5%)</b>
Coastal Zone Management Administration	\$1.5	\$2.0	\$0.6	\$0.1	\$3.4	\$0.7	<b>0.6%</b>	<b>(\$2.8)</b>	<b>(80.6%)</b>
Beach Monitoring and Notification Program Implementation	\$0.5	\$0.4	\$0.4	\$0.1	\$0.9	\$0.5	<b>0.5%</b>	<b>(\$0.4)</b>	<b>(40.5%)</b>
Federal Oil and Gas Royalty Management State and Tribal Coordination	\$0.2	\$0.3	\$0.1	\$0.1	\$0.5	\$0.3	<b>0.3%</b>	<b>(\$0.3)</b>	<b>(46.3%)</b>
Coastal Impact Assistance Program (CIAP)	\$8.2	\$19.7	\$0.0	\$0.0	\$27.9	\$0.0	<b>0.0%</b>	<b>(\$27.9)</b>	<b>(100.0%)</b>
All Other Grants	\$1.6	\$1.3	\$0.0	\$0.0	\$3.0	\$0.0	<b>0.0%</b>	<b>(\$3.0)</b>	<b>(100.0%)</b>
<b>TOTAL:</b>	<b>\$118.9</b>	<b>\$91.5</b>	<b>\$58.9</b>	<b>\$46.4</b>	<b>\$210.3</b>	<b>\$105.3</b>	<b>100.0%</b>	<b>(\$105.0)</b>	<b>(49.9%)</b>

**General Land Office**  
**Performance Measure Highlights - Senate**

**Appendix D**

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none"> <li>Annual Gross Rate of Return on Real Estate Special Fund Account (RESFA) Investments</li> </ul>	11.36	5.70	10.00	10.00	10.00
<i>Measure Explanation: The annual rate of rate of return on investments. Time-weighted gross one-year portfolio return, without cash equivalents, as calculated by third-party performance measurement agent.</i>					
<ul style="list-style-type: none"> <li>Annual Revenue from Uplands Surface Leases</li> </ul>	\$5,656,066	\$5,254,127	\$3,750,000	\$3,750,000	\$3,750,000
<i>Measure Explanation: This measure reflects the total revenue collected from uplands commercial leases, uplands surface leases, uplands special documents and uplands miscellaneous easements.</i>					
<ul style="list-style-type: none"> <li>Percent of Receipts Released to State Board of Education/Texas Education Agency</li> </ul>	4.5%	5.7%	6.0%	6.0%	6.0%
<i>Measure Explanation: The annual amount released from the Real Estate Special Fund Account ("RESFA") to SBOE/TEA and/or ASF as determined annually by the School Land Board.</i>					
<ul style="list-style-type: none"> <li>Number of Alamo Shrine Visitors</li> </ul>	1,288,297	1,305,136	1,266,000	1,266,000	1,266,000
<i>Measure Explanation: Captures the number of individuals that visit the Alamo Shrine. All individuals entering the Shrine will be counted using the Flonomics system.</i>					
<ul style="list-style-type: none"> <li>Alamo Gift Shop Revenue in Dollars</li> </ul>	\$2,499,078	\$3,272,222	\$2,977,000	\$2,977,000	2,977,000
<i>Measure Explanation: The amount of revenue generated by contracting out the operation of the gift shop to a third party. Total Alamo Gift Shop Revenue received from the third party contractor.</i>					

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

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)	Coastal Erosion Response Projects-Closure of Rollover Pass Funding	General revenue funds appropriated in the 2016-17 General Appropriations Act (GAA) included \$5.8M for the closure of Rollover Pass on the Bolivar Peninsula. This \$5.8M will be expended for this purpose in the 2016-17 biennium. The GLO used \$3.8M to fund the 4% reduction for agency requests in general revenue and general revenue-dedicated funding. The remaining \$2.0M is budgeted to finalize the closure of Rollover Pass and is offered in the event a statewide agency reduction mandate is implemented.	\$2,036,258	\$2,036,258	0.0	\$0	100.0%	No
2)	Disaster Recovery Program - Earned Federal Funds (1st 5%)	Earned Federal Funds represent amounts drawn from the Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) program. The Feds recognize there is a cost to support the federally funded CDBG program and will participate in these indirect administrative costs through a federally approved indirect cost rate. Once the funds are drawn and deposited into the State Treasury, these Earned Federal Funds become General Revenue.	\$2,480,812	\$2,480,812	0.0	\$0	3.6%	No
3)	Disaster Recovery Program - Earned Federal Funds (2nd 5%)	Earned Federal Funds represent amounts drawn from the Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) program. The Feds recognize there is a cost to support the federally funded CDBG program and will participate in these indirect administrative costs through a federally approved indirect cost rate. Once the funds are drawn and deposited into the State Treasury, these Earned Federal Funds become General Revenue.	\$706,348	\$706,348	0.0	\$0	1.4%	No

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

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			
4)	Alamo Complex	Under the Natural Resources Code Subchapter I, the GLO is responsible 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, Sec 31.454 directs that the funds in the Alamo Complex Account are to be used only to administer this subchapter and for the preservation, repair, renovation, improvement, expansion, purchase of equipment, operation, maintenance, or to acquire a historical item appropriate to the complex. In addition to funds in the Alamo Complex Account, the 84th Legislature increased General Revenue funds dedicated to the Alamo to a total of \$31.5 million. As both of these funding sources are subject to reduction, the agency has identified a reduction associated with these accounts. However, any unspent funds must remain in the Alamo Complex Account. The loss of this appropriation authority would hinder 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.	\$3,810,723	\$3,810,723	0.0	\$0	12.0%	Yes
TOTAL, 10% Reduction Options			\$9,034,141	\$9,034,141	0.0	\$0		