

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

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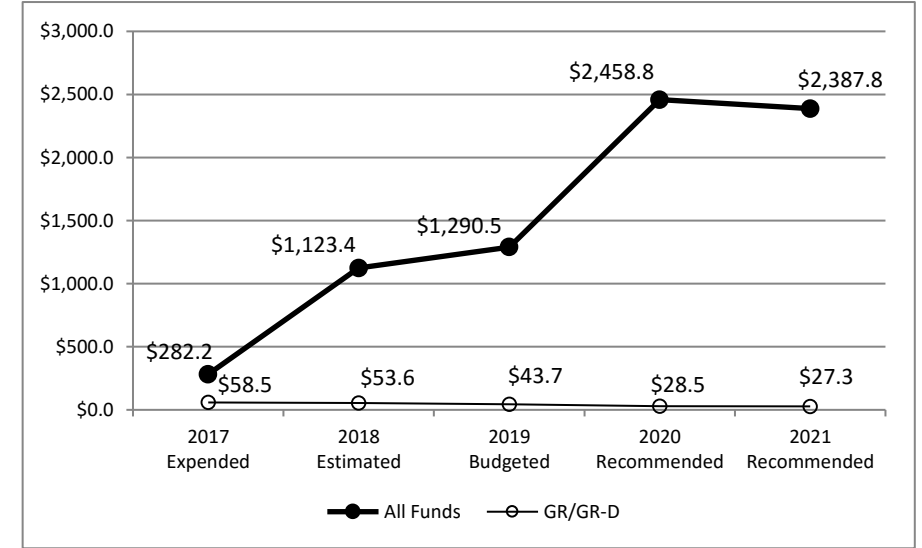
George P. Bush, Commissioner

Pamela Bolton, LBB Analyst

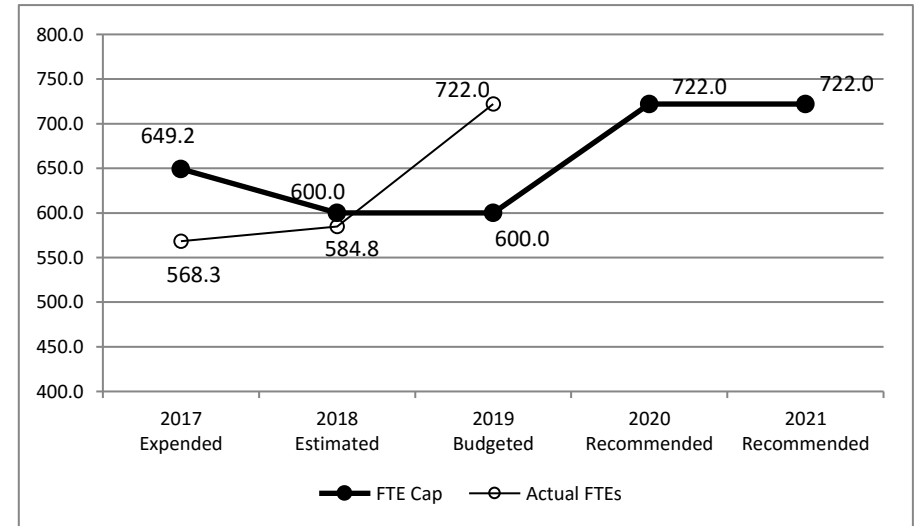
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$66,899,013	\$25,553,195	(\$41,345,818)	(61.8%)
GR Dedicated Funds	\$30,362,644	\$30,255,959	(\$106,685)	(0.4%)
<i>Total GR-Related Funds</i>	<i>\$97,261,657</i>	<i>\$55,809,154</i>	<i>(\$41,452,503)</i>	<i>(42.6%)</i>
Federal Funds	\$2,110,842,673	\$4,622,054,844	\$2,511,212,171	119.0%
Other	\$205,784,808	\$168,717,712	(\$37,067,096)	(18.0%)
All Funds	\$2,413,889,138	\$4,846,581,710	\$2,432,692,572	100.8%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	722.0	722.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 61.8% of the agency's estimated total available funds for the 2020-21 biennium.

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

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 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)	Net increase in Federal Funds for disaster recovery: 1) Housing - Funds for short-term housing and community housing projects - \$1,887.9 million 2) Infrastructure projects - \$595.1 million 3) Coastal Cleanup - One-time expenses in 2018-19 - \$9.0 million	\$0.0	\$0.0	\$2,474.0	\$0.0	\$2,474.0	A.2.1, D.1.1, D.1.2
B)	Net decrease in All Funds related to the Alamo, primarily due to the 2018-19 expenditure/ obligation of Economic Stabilization Funds for the Alamo Master Plan (\$72.0 million)	\$0.0	(\$0.6)	\$0.0	(\$71.3)	(\$71.9)	A.3.1
C)	Increase in Appropriated Receipts for coastal erosion projects from the National Fish and Wildlife Foundation, the Restore Act, and the Natural Resource Damage Assessment Trustee program	\$0.0	\$0.0	\$0.0	\$61.3	\$61.3	B.1.2
D)	Increase Federal Funds from the Gulf of Mexico Energy Security Act (\$40.1 million) to be used for large-scale coastal construction projects offset by decreased funding from closure of the federal Coastal Management Program (\$2.8 million)	\$0.0	\$0.0	\$37.2	\$0.0	\$37.2	B.1.1
E)	Decreases in one-time funding for completed capital budget/construction projects, including Rollover Pass (\$2.0 million in General Revenue) and Oil and Gas Inspection Upgrade (\$2.0 million in Permanent School Funds)	(\$2.7)	\$0.0	\$0.0	(\$3.2)	(\$5.9)	A.1.1, A.2.1, B.1.1, B.1.2, C.1.1
F)	Decrease in funding for vehicle replacements	\$0.0	(\$0.2)	\$0.0	(\$0.1)	(\$0.3)	A.1.4, A.2.1, B.2.1
G)	Increase in funding to continue existing obligations at Data Center Services	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	A.2.1

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

H)	Decrease for emergency funds transferred following Hurricane Harvey: 1) General Revenue transfer from the Texas Department of Criminal Justice (\$38.6 million) 2) Governor's Disaster/Deficiency/Emergency Grant Account No. 8000 transfer (\$10.0 million)	(\$38.6)	\$0.0	\$0.0	(\$10.0)	(\$48.6)	D.1.1
I)	Decrease in Permanent School Funds related to FEMA reimbursements for one-time disaster costs (\$15.3 million) offset by increase related to program operational costs (\$2.3 million)	\$0.0	\$0.0	\$0.0	(\$13.0)	(\$13.0)	A.1.3, A.1.4, A.2.1, A.2.2

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

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
J)	Decrease in All Funds for updated indirect cost allocation plan (\$1.2 million) and decrease in Appropriated Receipts related to program operational costs (\$2.8 million)	\$0.0	\$0.1	\$0.0	(\$4.1)	(\$4.0)	A.1.1, A.1.4, A.2.1, B.1.1, B.1.2, B.2.1, B.2.2, C.1.1, C.1.2, C.1.3
K)	Increase in GR-D Coastal Protection Account No. 27 for a new capital budget project called the Coastal Protection Grant System offset by a decrease in program operational costs	\$0.0	\$0.6	\$0.0	\$0.0	\$0.6	B.1.1, B.1.2, B.2.1, B.2.2
L)	Overall increase in Veterans' Land Program Administration Fund related to a new capital budget project and a new initiative to focus on the Veterans' Loan program offset by decrease related to program operations	\$0.0	\$0.0	\$0.0	\$3.4	\$3.4	C.1.1, C.1.2, C.1.3
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$41.3)	(\$0.1)	\$2,511.2	(\$36.9)	\$2,432.9	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.7	\$2,511.2	\$64.8	\$2,576.6	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$41.3)	(\$0.8)	\$0.0	(\$101.7)	(\$143.7)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Disaster Recovery:** Recommendations include an increase of \$2.5 billion in Federal Funds for disaster recovery related to Hurricane Harvey. Funding changes include:
 - a) **Housing:** Funding for Hurricane Harvey recovery totals \$3.6 billion in All Funds, which includes an increase of \$1.9 billion in Federal Funds for Federal Emergency Management Agency (FEMA) short-term housing funding and Community Development and Revitalization Program funding for community housing projects;
 - b) **Infrastructure:** Funding for Hurricane Harvey recovery totals \$387.5 million in All Funds, which includes an increase of \$595.1 million in Federal Funds in Community Development and Revitalization Program funding for infrastructure projects; and
 - c) **Coastal Cleanup:** Recommendations include a decrease \$9.0 million in FEMA funding for one-time expenses associated with marine debris cleanup, vessel removal, and cleanup of oil and hazardous discharges. No funding for coastal cleanup related to Hurricane Harvey is included in the 2020-21 recommendations.

2. **Alamo:** Recommendations include \$15.9 million (\$9.2 million in GR-D Alamo Complex Account No. 5152, comprised of revenues from the operation of the Alamo, grants, donations, and investment income; and \$6.7 million from Other Funds including Economic Stabilization Funds, Appropriated Receipts, and License Plate Trust Funds) for the operation and continued maintenance of the Alamo. The Eighty-fifth Legislature, Regular Session, appropriated a total of \$87.8 million in All Funds for the daily operation, preservation, and maintenance of the Alamo and for implementation of the Alamo Master Plan. Included in the total appropriation was \$75.0 million from the Economic Stabilization Fund No. 599 (ESF).
 - a) **Operation and Maintenance:** For 2018-19, the agency reports that operations and maintenance for the Alamo total \$15.9 million in All Funds, of which the agency used \$3.0 million in ESF, a use of the ESF appropriation authorized in the Alamo rider. For 2020-21, GLO reports that operations and maintenance costs will continue at \$15.9 million. Included in current recommendations in Other Funds is \$3.0 million from the ESF for the operation and maintenance of the Alamo. This funding will be carried forward as an unexpended balance from 2018-19. GLO reports that utilizing the unexpended balance of \$3.0 million in ESF during 2020-21 for operation and maintenance will ensure the agency does not need General Revenue to supplement operations while major construction is ongoing during the biennium. The ESF appropriation from 2018-19 has been classified as a Type-2 appropriation by the Comptroller as it was intended for construction purposes, thus GLO has until 2023 to expend the funds. The agency has indicated it will expend or encumber the remaining funds for implementation of the Master Plan by 2023.
 - b) **Master Plan:** The Alamo Master Plan has been under development since 2016 when the Eighty-fourth Legislature, Regular Session, appropriated \$25.0 million for its development. Along with the \$75.0 million appropriation in ESF last session, the Legislature has appropriated a total of \$100.0 million for the Alamo Master Plan. On October 18, 2018, the San Antonio City Council approved GLO's plans to redevelop the Alamo, which included the approval of a 50-year lease giving GLO control of land and streets owned by the city surrounding the Alamo shrine. Full implementation of the Master Plan is estimated to cost \$450.0 million, with \$38.0 million committed by San Antonio and \$106.0 million by the Texas General Land Office. It will be up to the nonprofit Alamo Endowment to raise the rest of the money for the Alamo museum and other site improvements. The goal for completion is January 2024. GLO will use the remaining ESF to continue implementation of the Master Plan through the next two biennia. The agency did not request additional funds for the Master Plan in 2020-21.

3. **Capital Budget Authority and Coastal Construction Projects:** Recommendations modify the agency's capital budget authority by exempting Federal Funds from the calculation of the aggregate total and create a new rider that requires the agency to provide a 30-day notice before implementing any new projects. See Rider Highlights - Senate, #2 and #19.

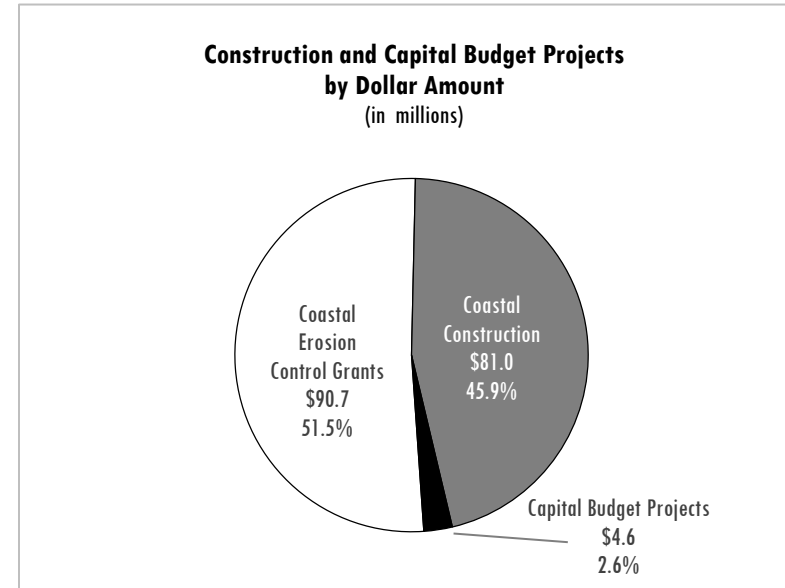
GLO's capital budget authority authorizes it to exceed its aggregate capital budget All Funds total by 25 percent without Legislative or Governor approval, an expanded authority that is commonly used for agencies headed by elected officials. As GLO's capital budget grows, the amount by which it can exceed the limit grows accordingly. Also, as

GLO receives an increasing amount of Federal Funds for coastal construction projects, the aggregate total has expanded greatly. Recommendations amend the capital budget rider to specify that the aggregate total amount applied to determine the rider’s limit may only be calculated using non-Federal Funds.

Recommendations also provide a new Coastal Construction rider that governs two separate projects that would previously have been included in the agency’s Capital Budget Rider. Removing these two projects into a separate rider will lower the agency’s aggregate capital budget projects total while still enabling the Comptroller’s office to recognize the funding for the construction projects as being a Type-2 appropriation, allowing GLO to pay for the projects over five years instead of three. This will provide flexibility and will help reduce the chance of lapses due to project completion dates.

Section (a) of the new rider governs existing funding for a project funded entirely with Federal Funds under the Gulf of Mexico Energy Security Act (GoMESA). The funds derive from coastal oil and gas lease revenues collected by the federal government and distributed to Gulf states for coastal construction projects. During the 2020-21 biennium, GLO anticipates receiving \$81.0 million from GoMESA funds, an increase of \$40.1 million, for large-scale coastal construction projects.

Section (b) of the new rider governs funding for the Coastal Erosion Response Construction project. This project totals \$90.7 million in All Funds for 2020-21, which includes \$16.3 million in General Revenue and \$74.4 million in Appropriated Receipts. Appropriated Receipts funding for 2020-21 for this project comes from the National Fish and Wildlife Association, the federal Restore Act, and the Natural Resource Damage Assessment Trustee program, and represents an increase of 466.6 percent over 2018-19 levels. General Revenue funding was established under the Coastal Erosion Planning and Response Act, enacted by the Seventy-sixth Legislature, Regular Session, in 1999. This project primarily funds large scale beach nourishment of critically eroding beaches.



4. **Capital Budget Projects:** Recommendations provide authority and total funding of \$4.6 million in All Funds for ten capital budget projects, which include the following:

a) **Data Center Services (DCS):** Recommendations include \$0.7 million for DCS to continue existing obligations, an increase of \$0.1 million compared to 2018-19 levels.

b) **Vehicles:** Recommendations include \$0.2 million in All Funds to replace six vehicles that meet the minimum standard of 10 years/150,000 miles, a decrease of \$0.3 million compared to 2018-19 levels.

c) **Completed Capital Budget Projects:** Recommendations include a decrease of \$3.9 million in All Funds for the following completed capital budget projects:

- Agency Land and Asset Management Operations System (A.L.A.M.O.) (\$500,000 in PSF)
- Appraisal System (\$500,000 in PSF)
- Voice over Internet Protocol (VoIP) (\$389,560 in GR)
- Data Loss Prevention (\$200,000 in GR)
- Oil and Gas Inspection Upgrade (\$2,000,000 in PSF)
- Vulnerability Management (\$120,000 in GR)
- VLB Mobile Office (\$151,850 in Veterans Land Program Administration Fund No. 522)

d) **Coastal Protection Grant System:** Recommendations include \$0.7 million from GR-D Coastal Protection Account No. 27 to combine multiple existing systems into a single enterprise coastal grant management application.

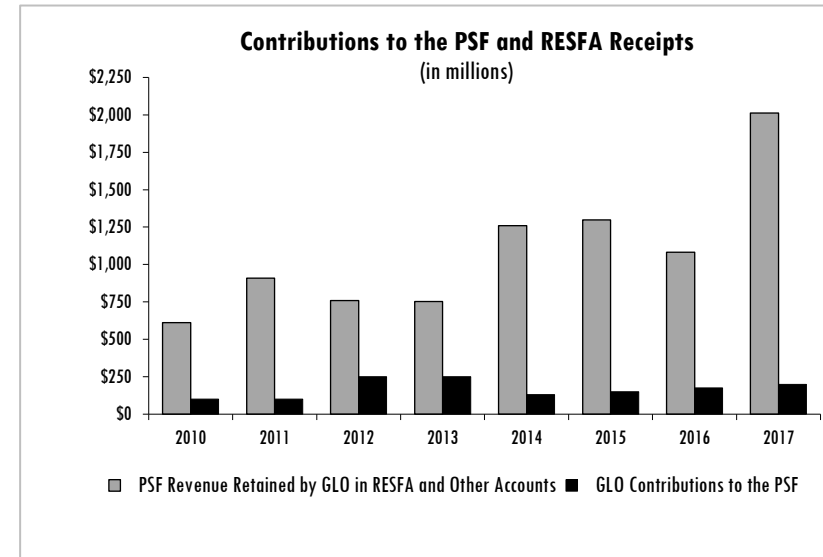
5. **Permanent School Fund (PSF):** Recommendations include \$37.8 million in PSF for the management of state PSF lands and mineral rights properties, a decrease of \$13.8 million from 2018-19. This decrease is related to the following adjustments:

- a decrease of \$15.3 million due to one-time costs related to Hurricane Harvey to use surface damage funds pending FEMA reimbursements;
- a decrease of \$3.0 million due to completed capital budget projects (A.L.A.M.O., Appraisal System, and Oil and Gas Inspection Upgrade. See Item 4c above);
- a decrease of \$0.1 million to align vehicle replacement costs with the standard of 10 years/150,000 miles (see Item 4b above);
- an increase of \$2.4 million for updated indirect costs;
- an increase of \$1.6 million for outside legal counsel costs for PSF properties;
- an increase of \$0.5 million for increased program operational costs;
- an increase of \$0.2 million for contracted surveying and appraisal services for PSF properties; and
- an increase of \$0.1 million to continue DCS at current levels (see Item 4a above).

PSF lands total approximately 13.0 million acres including beaches, bays, estuaries and other submerged lands out to 10.4 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 are deposited in the Real Estate Special Fund Account (RESFA) for the acquisition of additional real property interests for the PSF, for limited transfers to the portion of the PSF managed by the State Board of Education, or directly to the Available School Fund (ASF) each year.

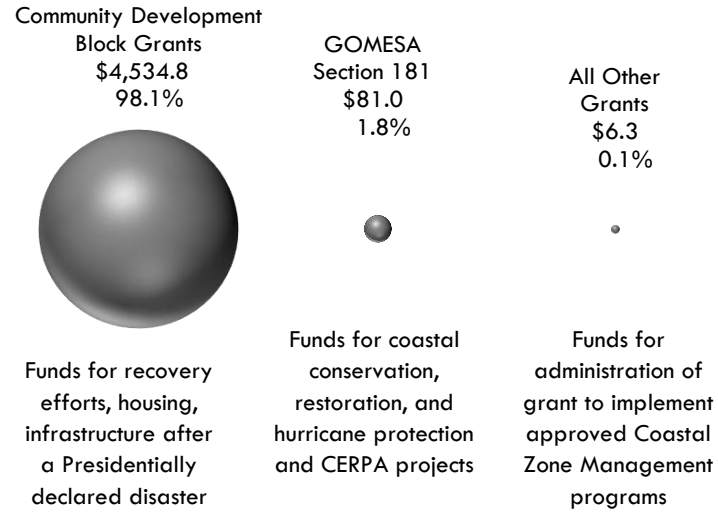
During the 2016-17 biennium, GLO transferred \$375.0 million to the corpus of the PSF for equity investment by the State Board of Education (SBOE). GLO has announced that \$490.0 million will be transferred for SBOE management during the 2018-19 biennium, and \$55.0 million will be transferred during the 2020-21 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. GLO has committed to transferring \$300.0 million in each of fiscal years 2019, 2020, and 2021.



General Land Office and Veterans' Land Board

Summary of Federal Funds (2020 - 21) - Senate



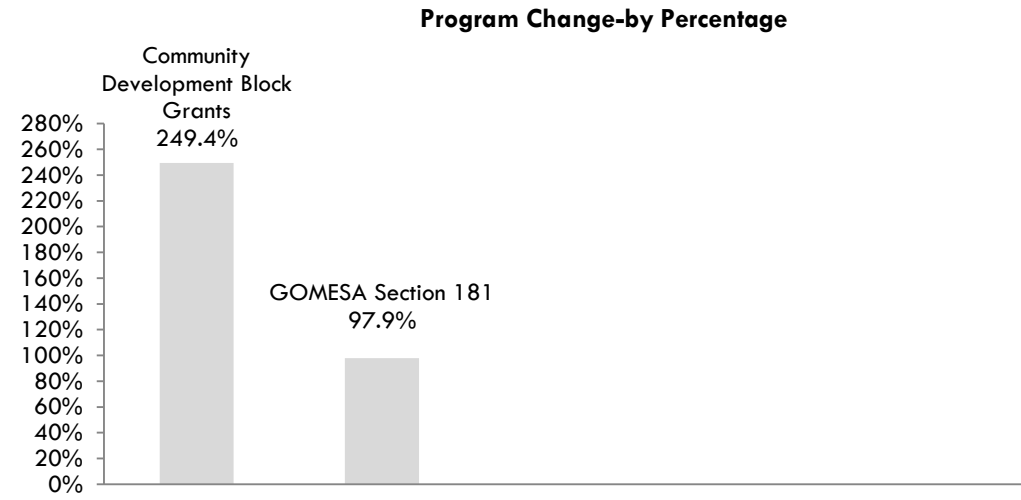
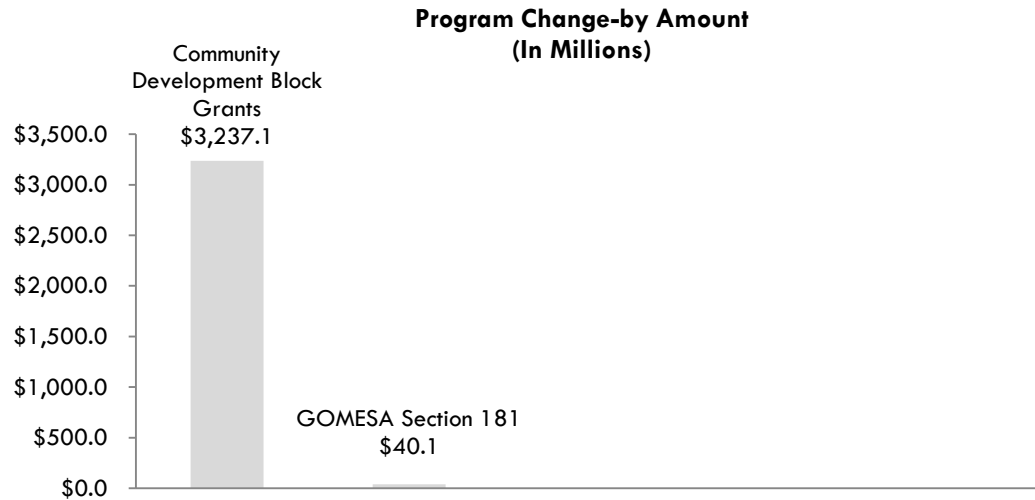
Selected Federal Fiscal and Policy Issues

Federal Funds estimates for the 2020-21 biennium include a \$3.2 billion increase in CDBG funding compared to the 2018-19 biennium.

Texas has been awarded approximately \$10.1 billion in CDBG-DR funds for long-term disaster recovery for disasters that occurred in 2015, 2016, and 2017, including Hurricane Harvey.

Texas was also awarded \$40.5 million in Gulf of Mexico Energy Security Act (GOMESA) funding to be used for coastal conservation, restoration, and other purposes.

Programs with Significant Federal Funding Changes from 2018 - 19



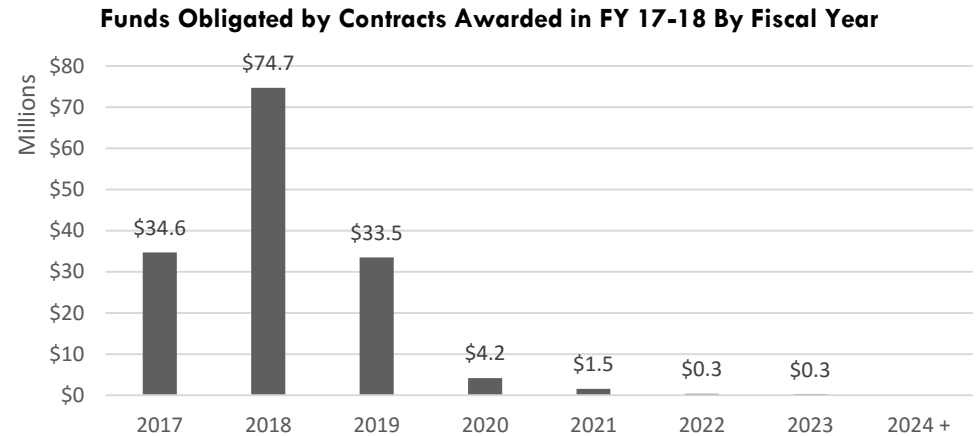
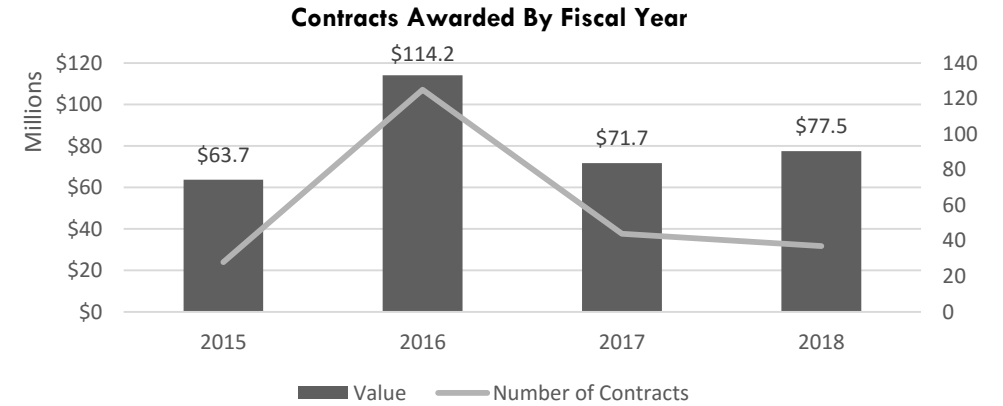
General Land Office and Veterans' Land Board
Contracting Highlights - Senate

As of 8/31/2018, the General Land Office and Veterans' Land Board had 62 active procurement contracts valued at \$164.9 million.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database ¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	81	\$ 149.2	\$ 1.8	100%
Award Method				
Total Competitive Contracts	24	\$ 60.7	\$ 2.5	40.7%
Total Non-Competitive	57	\$ 88.5	\$ 1.6	59.3%
Emergency	3	\$ 2.0	\$ 0.7	1.4%
Sole Source	2	\$ 0.3	\$ 0.1	0.2%
Interagency Agreement	44	\$ 84.9	\$ 1.9	56.9%
Procurement Category				
Information Technology	8	\$ 0.7	\$ 0.1	0.5%
Professional Services	2	\$ 0.2	\$ 0.1	0.1%
Construction	11	\$ 65.4	\$ 5.9	43.9%
Goods	2	\$ 1.9	\$ 1.0	1.3%
Other Services	46	\$ 19.9	\$ 0.4	13.4%
Lease/Rental	0	\$ -	\$ -	0.0%
Consulting	3	\$ 1.7	\$ 0.6	1.1%
Revenue Generating Contracts				
Competitive	0	\$ -	\$ -	0.0%
Non-competitive	0	\$ -	\$ -	0.0%



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

General Land Office and Veterans' Land Board

Contracting Highlights - Senate

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 USACE FCSA for Coastal Texas Study	Sole Source	\$ 19.9	-	11/16/15	6 years	0	US Army Corps of Engineers
2 Construction of Texas State Veterans Home	Competitive	\$ 6.0	0.7%	07/16/15	5 years	2	Mapco, Inc.
3 Round 2.2 Grantee Award for the CDBG DR Program.	Interagency	\$ 4.4	-	07/24/12	6 years	0	County of Jasper
4 Round 2.2 Grantee Award for the CDBG DR Program	Interagency	\$ 4.3	267.3%	03/20/13	5 years	0	Liberty County
5 Engineer for CDBG Disaster Recovery Program	Competitive	\$ 2.7	234.0%	07/06/12	4 years	4	HDR Engineering
Largest Competitive Contracts Awarded in FY 17-18							
1 Construction of Veteran's Home in Houston, Texas	Competitive	\$ 37.0	-	04/24/17	1 year	0	Kitchell
2 Construction of Galveston Seawall	Competitive	\$ 16.7	-	09/03/16	1 year	0	Weeks Marine INC
3 Construction of roadway access and utilities	Competitive	\$ 2.5	-	12/26/16	1 year	0	Triple B Services LLP
4 VLB Marketing and Media Services	Competitive	\$ 1.2	-	09/01/16	1 year	0	Sherry Mathews Advertising
5 Killeen Improvement Project	Competitive	\$ 0.7	-	10/05/16	1 year	0	Vision Construction Company Inc
Largest Non-Competitive Contracts Awarded in FY 17-18							
1 Hurricane Harvey Direct Housing Agreement - CBCOG	Interagency	\$ 43.1	-	11/21/17	2 years	0	Coastal Bend Council of Governments
2 Hurricane Harvey contract with COGs	Interagency	\$ 6.1	-	11/21/17	2 years	0	Deep East Texas Council of Governments
3 CEPRRA Project 1610, Bolivar Beach Restoration	Interagency	\$ 5.8	-	10/03/16	1 year	0	County of Galveston
4 Hurricane Harvey contract with COGs	Interagency	\$ 5.3	-	11/21/17	2 year	0	Golden Crescent Regional Planning Commission
5 COG contract for Services for Harvey & FEMA	Interagency	\$ 3.6	-	12/01/17	2 years	0	Capital Area Council of Governments

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals.

**General Land Office (GLO)
Quality Assurance Team (QAT) Highlights - Senate**

GLO has one project subject to QAT oversight. The project below is within budget and on schedule as reported to the Quality Assurance Team*

Project Name	Project Cost	Expenditures to Date	% Complete	Timeline in Months	Project Status
The Royalty Reporting and Control Project	\$ 2.0	\$ 0.0	12.0%	23	<p>The Royalty Reporting and Control (RRAC) application for inspection/enforcement tracking and reporting was developed as a web-based application in May 2011. Oil and gas companies use RRAC to report production activity and royalties due on mineral interests managed by the GLO.</p> <p>The agency anticipated beginning the replacement of RRAC in November 2017. However, this project was put on hold by the agency due to GLO's response to the Governor's statewide emergency declaration for Hurricane Harvey. The agency, in coordination with QAT, determined to defer the start date of this initiative until August 30, 2018. The scope, cost and the estimated duration of 23 months are not impacted. GLO provided a Project Change Request to QAT for review and acceptance to re-baseline the project due to the Hurricane Harvey response efforts.</p> <p>The re-baseline initial planned project start and finish dates will be August 30 2018, and August 30, 2020, respectively.</p>

*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Comptroller of Public Accounts, Department of Information Resources, Legislative Budget Board and the State Auditor's Office (Advisory Only).

**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 Selected Fiscal and Policy Issues - Senate, #3 and #5.
16. **Alamo and Alamo Complex Master Plan and Preservation, Maintenance, and Operations.** Recommendations update the rider to reflect amounts appropriated from GR-D Alamo Complex Account No. 5152 and Economic Stabilization Fund No. 599. See Selected Fiscal and Policy Issues - Senate, #2.

New Riders

19. **Coastal Construction.** Recommendations include a new rider governing funds appropriated for two specific coastal construction projects. See Selected Fiscal and Policy Issues - Senate, #3.

Deleted Riders

19. **Closure of Rollover Pass.** Recommendations delete the rider as all funds necessary to complete closure were appropriated by the Eighty-fifth Legislature.

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

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items (in agency priority order)							
1)	Implementation of Centralized Accounting and Payroll / Personnel System (CAPPS) HR / Payroll / Timekeeping and Financials Modules: General Revenue to implement CAPPS using outside contractors.	\$4,125,357	\$13,673,709	0.0	Yes	Yes	\$1,115,200
2)	Community Disaster Recovery FEMA Contingency Funds: General Revenue and a new contingency rider to be used in the event that FEMA funds are not renewed. Funding will allow GLO to keep 20.0 FTEs designated for work on FEMA short-term housing. The rider would require General Revenue to be reimbursed if federal funding becomes available after activation.	\$4,217,510	\$4,217,510	20.0	Yes	No	\$4,173,490
3)	Hurricane Harvey Texas Coastal Program Damages Funding Need and State Share: General Revenue for coastal projects and repairs necessary after Hurricane Harvey. A portion of the funding will be reimbursed by FEMA at some later date.	\$23,634,172	\$23,634,172	0.0	No	Yes	\$0
4)	Oil and Gas Royalty Reporting System Enhancement: Permanent School Funds for a capital budget project to upgrade the Royalty Reporting and Control system, which is used by oil and gas companies to report oil and gas production on state-owned land.	\$0	\$885,000	0.0	Yes	Yes	\$0
5)	Archives and Records Database and Digital File Preservation: Permanent School Funds to consolidate multiple databases used by the Archives and Records program into a single system and to convert historical scanned documents to archival standard file formats to ensure longevity.	\$0	\$480,000	0.0	Yes	Yes	\$0
6)	New Rider, Unexpended Balances of Earned Federal Funds for Disaster Recovery Program: Authority to carry forward any unobligated and unexpended Earned Federal Funds in Goal D, Disaster Recovery, from fiscal year 2019 for the purpose of funding salaries of federally funded positions prior to receiving federal reimbursement for salary expenses. The cost for this item cannot be determined.	\$0	\$0	0.0	No	No	\$0
7)	New Rider, Unexpended Balance Authority Across Biennia Related to Disaster Funds: Authority to carry forward any unobligated and unexpended balances from fiscal year 2019 related to the Governor's Disaster Grant of \$10.0 million (Other Funds) and the General Revenue transfer from the Texas Department of Criminal Justice of \$38.6 million. The cost for this item cannot be determined.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$31,977,039	\$42,890,391	20.0			\$5,288,690

**General Land Office
Appendices - Senate**

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* Appendix is not included - no significant information to report

** 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	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
ENERGY LEASE MANAGEMENT & REV AUDIT A.1.1	\$12,912,183	\$11,513,410	(\$1,398,773)	(10.8%)	All Funds decrease resulting from: a) a decrease of \$0.9 million in Permanent School Funds (PSF) related to removal of one-time expenses for the completed capital budget project called Oil and Gas Inspection Upgrade; b) a decrease of \$0.3 million in PSF related to shifting funds to A.2.1 (below); c) a decrease of \$0.1 million in Appropriated Receipts related to a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; and d) a decrease of \$43,549 in Appropriated Receipts related to various operational administrative costs.
ENERGY MARKETING A.1.2	\$1,339,073	\$1,350,266	\$11,193	0.8%	
DEFENSE AND PROSECUTION A.1.3	\$8,029,598	\$6,993,188	(\$1,036,410)	(12.9%)	All Funds decrease resulting from: a) an increase of \$1.6 million in PSF due to outside legal counsel costs for PSF properties, and b) a decrease of \$2.6 million in Appropriated Receipts due to decreased costs for the defense and prosecution of royalty deficiency and other mineral lease claims.
COASTAL AND UPLANDS LEASING A.1.4	\$6,394,018	\$6,570,166	\$176,148	2.8%	PSF increase resulting from: a) an increase of \$0.5 million due to increased program operational costs; b) a decrease of \$0.3 million related to a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; and c) a decrease of \$0.1 million for replacement vehicles.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
ASSET MANAGEMENT A.2.1	\$40,784,154	\$16,266,353	(\$24,517,801)	(60.1%)	All Funds decrease resulting from: a) a GR decrease of \$0.3 million related to a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; b) an increase of \$2.4 million in PSF related to a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; c) an increase of \$0.1 million in PSF for Data Center Services (DCS) to align with DIR's reported obligations for GLO; d) a decrease of \$15.3 million in PSF related to one-time Hurricane Harvey costs used pending FEMA reimbursements; e) a decrease of \$1.1 million in PSF related to removal of one-time expenses for the completed capital budget project called Oil and Gas Inspection Upgrade; f) a decrease of \$0.5 million in PSF for one-time funding for A.L.A.M.O. capital budget project; g) a decrease of \$0.5 million in PSF for one-time funding for Appraisal System capital budget project; h) a decrease of \$38,188 in PSF for replacement vehicles; i) a decrease of \$0.2 million in Appropriated Receipts related to various operational administrative costs; and j) a decrease of \$9.0 million in Federal Funds related to one-time Hurricane Harvey FEMA awards used for marine/debris cleanup, vessel removal, and cleanup of oil and hazardous discharges on land and in water.
SURVEYING AND APPRAISAL A.2.2	\$2,109,004	\$2,664,820	\$555,816	26.4%	PSF decrease related to contracted costs for surveys and appraisals of PSF properties, of which \$0.3 million was transferred from Strategy A.1.1.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
PRESERVE & MAINTAIN ALAMO COMPLEX A.3.1	\$87,815,015	\$15,897,900	(\$71,917,115)	(81.9%)	All Funds decrease resulting from: a) a decrease in Economic Stabilization Funds of \$72.0 million due to removal of one-time expenses related to the Alamo; b) a decrease of \$0.6 million in the GR-D Alamo Complex Account No. 5152 to align with estimated revenue; and c) an increase of \$0.7 million in Appropriated Receipts.
Total, Goal A, ENHANCE STATE ASSETS	\$159,383,045	\$61,256,103	(\$98,126,942)	(61.6%)	
COASTAL MANAGEMENT B.1.1	\$56,023,303	\$93,123,775	\$37,100,472	66.2%	All Funds increase resulting from: a) a GR increase of \$0.8 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; b) a GR decrease of \$0.7 million for one-time funding for VoIP, Data Loss Prevention, and Vulnerability Management capital budget projects; c) a decrease of \$0.2 million in GR-D Coastal Protection Account No. 27 related to various operational administrative costs; d) an increase of \$40.1 million in Federal Funds related to the Gulf of Mexico Energy Security Act (GoMESA); and e) a decrease of \$2.8 million in Federal Funds related to the closing of the Coastal Management Program.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
COASTAL EROSION CONTROL GRANTS B.1.2	\$32,131,457	\$91,948,027	\$59,816,570	186.2%	All Funds increase resulting from: a) a GR decrease of \$2.0 million for one-time funding of the Closure of Rollover Pass; b) a GR decrease of \$0.1 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; c) an increase of \$26.5 million in Appropriated Receipts from funds from the National Fish and Wildlife Foundation (NFWF); d) an increase of \$25.0 million in Appropriated Receipts from funds from the Restore Act; and e) an increase of \$9.8 million in Appropriated Receipts from funds from the Natural Resource Damage Assessment (NRDA) Trustee program.
OIL SPILL RESPONSE B.2.1	\$11,202,226	\$10,565,513	(\$636,713)	(5.7%)	GR-D 27 decrease resulting from: a) a decrease of \$0.4 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance, and b) a decrease of \$0.2 million for replacement vehicles.
OIL SPILL PREVENTION B.2.2	\$8,578,038	\$9,257,628	\$679,590	7.9%	GR-D 27 increase resulting from: a) an increase of \$0.6 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance, and b) an increase of \$0.1 million related to various operation administrative costs.
Total, Goal B, PROTECT THE COASTAL ENVIRONMENT	\$107,935,024	\$204,894,943	\$96,959,919	89.8%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
VETERANS' LOAN PROGRAMS C.1.1	\$26,719,425	\$31,171,466	\$4,452,041	16.7%	All Funds increase resulting from: a) a GR decrease of \$0.4 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; b) a GR decrease of \$0.2 million for one-time funding for VLB Mobile Office capital budget project; c) an increase of \$4.0 million in Veterans Land Program Administration Fund No. 522 (Fund 522) related to an initiative to focus on the veterans' loan program; and d) an increase of \$1.0 million in Fund 522 resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance.
VETERANS' HOMES C.1.2	\$8,393,578	\$8,721,765	\$328,187	3.9%	Fund 522 increase resulting from: a) an increase of \$0.7 million related to a new capital budget project called the Veterans' Land Board Compliance Database System; b) a decrease of \$0.2 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance; and c) a decrease of \$0.1 million related to various operational administrative costs.
VETERANS' CEMETERIES C.1.3	\$7,933,328	\$2,570,812	(\$5,362,516)	(67.6%)	Fund 522 decrease resulting from: a) a decrease of \$4.1 million resulting from a change in the allocation of Indirect Administration and Support Costs to rebalance more equitably by agency-wide method of finance, and b) a decrease of \$1.2 million related to funds outside the treasury (Texas State Veterans' Homes and Cemeteries bond funds) paying an increased share of cemetery operator costs.
Total, Goal C, VETERANS' LAND BOARD (VLB)	\$43,046,331	\$42,464,043	(\$582,288)	(1.4%)	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
HOUSING PROJECTS & ACTIVITIES D.1.1	\$1,840,195,477	\$3,679,516,621	\$1,839,321,144	100.0%	All Funds increase resulting from: a) a GR decrease of \$38.6 million to return the transfer from the Texas Department of Criminal Justice (TDCJ) related to cash-flow issues following Hurricane Harvey; b) a decrease of \$10.0 million in Governor's Disaster Emergency Grants related to cash-flow issues following Hurricane Harvey; and c) an increase of \$1.9 billion in Federal Funds for Hurricane Harvey-related short-term housing funds from FEMA and the Community Development and Revitalization Program for community housing projects.
INFRASTRUCTURE PROJECTS/ACTIVITIES D.1.2	\$263,329,261	\$858,450,000	\$595,120,739	226.0%	Federal Funds increase related to the Community Development and Revitalization Program for community infrastructure projects following Hurricane Harvey.
Total, Goal D, DISASTER RECOVERY	\$2,103,524,738	\$4,537,966,621	\$2,434,441,883	115.7%	
Grand Total, All Strategies	\$2,413,889,138	\$4,846,581,710	\$2,432,692,572	100.8%	

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

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Community Development Block Grants ¹	\$286.1	\$1,011.6	\$2,267.6	\$2,267.1	\$1,297.7	\$4,534.8	98.1%	\$3,237.1	249.4%
GOMESA Section 181	\$0.4	\$40.5	\$40.5	\$40.5	\$40.9	\$81.0	1.8%	\$40.1	97.9%
Coastal Zone Management Administration	\$0.0	\$1.7	\$2.1	\$1.8	\$1.7	\$3.9	0.1%	\$2.2	126.5%
All Other Grants ²	\$715.3	\$55.2	\$1.5	\$0.9	\$770.5	\$2.4	0.1%	(\$768.1)	(99.7%)
TOTAL:	\$1,001.8	\$1,109.1	\$2,311.7	\$2,310.4	\$2,110.8	\$4,622.1	100.0%	\$2,511.2	119.0%

¹CDBG Award amounts for FY2015-2018 include approximately \$74 million for 2015 floods, \$238 million for 2016 floods, \$57 million for Hurricane Harvey (1st allocation), and \$5.02 billion for Hurricane Harvey (2nd allocation)

²All Other Grants includes: Public Assistance Grants, Hurricane Harvey Public Assistance Grants, and Federal Disaster Assistance to Individuals and Households

**General Land Office
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	649.2	600.0	600.0	722.0	722.0
Actual/Budgeted	568.3	584.8	722.0	n/a	n/a
Schedule of Exempt Positions (Cap)					
Land Commissioner, Group 5	\$140,938	\$140,938	\$140,938	\$140,938	\$140,938

Notes:

The State Auditor's Office report, Executive Compensation at State Agencies (Report No. 18-705, August 2018), does not indicate market average salaries for elected officials. The salary of the Land Commissioner is a public policy decision that is not tied to the market average for similar positions. The agency is not requesting any changes to its Exempt Position.

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

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> Annual Gross Rate of Return on Real Estate Special Fund Account (RESFA) Investments <p><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. Recommendations for 2020-21 are updated based on the five-year average from fiscal years 2014-2018.</i></p>	18.3%	17.1%	6.0%	13.4%	13.4%
<ul style="list-style-type: none"> Annual Revenue from Uplands Surface Leases <p><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></p>	\$6,732,223	\$8,743,106	\$6,000,000	\$4,250,000	\$4,250,000
<ul style="list-style-type: none"> Percent of Receipts Released to State Board of Education/Texas Education Agency <p><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. Recommendations for 2020-21 are updated based on the five-year average from fiscal years 2014-2018.</i></p>	4.6%	4.6%	6.0%	4.6%	4.6%
<ul style="list-style-type: none"> Number of Alamo Shrine Visitors <p><i>Measure Explanation: Captures the number of individuals that visit the Alamo Shrine.</i></p>	1,616,142	1,646,151	1,675,992	1,675,992	1,675,992
<ul style="list-style-type: none"> Alamo Gift Shop Revenue in Dollars <p><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></p>	\$2,337,932	\$3,069,749	\$2,950,750	\$2,950,750	\$2,950,750

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

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
1)	Disaster Recovery - Earned Federal Funds	General Revenue appropriated in 2018-19 included \$3.2M for Earned Federal Funds. These funds represent amounts drawn from the Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) program. The federal government recognizes 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. The GLO is not required to spend these funds on the CDBG program as they represent reimbursements of the GLO's indirect administrative costs.	\$1,466,542	\$1,466,542	0.0	\$0	46%	\$3,187,160	No
2)	Disaster Recovery - Earned Federal Funds	Same as above	\$1,466,542	\$1,466,542	0.0	\$0	46%	\$3,187,160	No
3)	Disaster Recovery - Earned Federal Funds	Same as above	\$254,076	\$254,076	0.0	\$0	8%	\$3,187,160	No
4)	Coastal Erosion Response Projects - CEPRAs Projects	General Revenue appropriated in 2018-19 included \$14.2M for Coastal Erosion Planning & Response Act (CEPRA) projects. Under CEPRA, GLO implements erosion response projects and studies through collaboration and a 40% matching funds partnership with federal, state, and local governments, non-profit organizations and other potential project partners. GLO received \$40.5M Gulf of Mexico Energy Security Act (GOMESA) of 2006 federal funds in May 2018. The Act created revenue sharing provisions for the four Gulf oil and gas producing States of Alabama, Louisiana, Mississippi and Texas, and their coastal political subdivisions (CPS's). These funds represent the state's share of federal offshore oil and gas revenues that are to be used for coastal conservation, restoration, and hurricane protection and may be used for CEPRA Projects. An MOF Swap would allow for the continued leveraged 40% project partner match.	\$1,212,466	\$1,212,466	0.0	\$0	7%	\$17,520,519	No
5)	Coastal Erosion Response Projects - CEPRA Projects	Same as above	\$1,466,540	\$1,466,540	0.0	\$0	8%	\$17,520,519	No

TOTAL, 10% Reduction Options	\$5,866,166	\$5,866,166	0.0	\$0
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