

TAX RELIEF AMENDMENT IMPLEMENTATION LIMIT ON GROWTH OF CERTAIN STATE APPROPRIATIONS

Legal References

Article VIII, Sec. 22(a), Texas Constitution, approved by the voters in November 1978, states that:

In no biennium shall the rate of growth of appropriations from state tax revenues not dedicated by this constitution exceed the estimated rate of growth of the state's economy. The legislature shall provide by general law procedures to implement this subsection.

This provision does not alter, amend, or repeal Article III, Section 49a, of the Texas Constitution, the well known "pay-as-you-go" provision.

To implement this provision of the Texas Constitution, the Sixty-sixth Legislature enacted Article 9, Chapter 302, Laws 1979 (Tex. Government Code Ann., Sec. 316) which placed with the Legislative Budget Board the responsibility for initial approval of a limitation on the growth of certain state appropriations. A part of the procedure for approving the limitation is set forth in Sections 316.003 and 316.004 as follows:

Sec. 316.003. Before the Legislative Budget Board approves the items of information required by Section 316.002, the board shall publish in the *Texas Register* the proposed items of information and a description of the methodology and sources used in the calculations.

Sec. 316.004. Not later than December 1 of each even-numbered year, the Legislative Budget Board shall hold a public hearing to solicit testimony regarding the proposed items of information and the methodology used in making the calculations required by Section 316.002.

The items of information mentioned above are identified as follows in Section 316.002:

- (1) the estimated rate of growth of the state's economy from the current biennium to the next biennium;
- (2) the level of appropriations for the current biennium from state tax revenues not dedicated by the constitution; and

- (3) the amount of state tax revenues not dedicated by the constitution that could be appropriated for the next biennium within the limit established by the estimated rate of growth of the state's economy.

In this memorandum, each item of information is taken up in the order listed above.

Estimated Rate of Growth of the State's Economy

A definition of the "estimated rate of growth of the state's economy" is set forth in paragraph (b) of Section 316.002 in the following words:

(b) Except as provided by Subsection (c), the board shall determine the estimated rate of growth of the state's economy by dividing the estimated Texas total personal income for the next biennium by the estimated Texas total personal income for the current biennium. Using standard statistical methods, the board shall make the estimate by projecting through the biennium the estimated Texas total personal income reported by the United States Department of Commerce or its successor in function.

(c) If a more comprehensive definition of the rate of growth of the state's economy is developed and is approved by the committee established by Section 316.005, the board may use that definition in calculating the limit on appropriations.

The Commerce Department's Bureau of Economic Analysis defines state personal income as follows:

...the income received by persons from all sources, that is, from participation in production, from both government and business transfer payments, and from government interest. Personal income is the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income, rental income of persons, personal dividend income, personal interest income and transfer payments, less personal contributions for social insurance.

Table 1 displays the Commerce Department's personal income account for Texas for calendar year 2007. The largest component of Texas personal income is wage and salary disbursements, estimated at \$482.8 billion during calendar 2007. Salary and wage disbursements are added with supplements to wages and salaries, primarily employer contributions to private pensions and welfare funds, and proprietors' income to arrive at total earnings by place of work. Texas total earnings by place of work reached an estimated \$726.1 billion in calendar year 2007.

In deriving Texas total personal income, two adjustments are made to total earnings by place of work. Personal contributions for social insurance contributions, principally social security payroll taxes paid by employees and self-employed, are deducted. A place-of-residence adjustment is also made to reflect the earnings of workers who cross state borders to live or work. Dividends, interest and rent income are then added, along with transfer payments. The major types of transfer payments include social security, various retirement and unemployment insurance benefits, welfare, and disability and health insurance payments. Texas total personal income is estimated to be \$918.0 billion for calendar year 2007.

The U.S. Department of Commerce reports personal income estimates by calendar quarter and year. Since the state's fiscal year begins on September 1 and ends August 31, an adjustment is required to present these data on a biennial basis. The Legislative Budget Board uses the data for the first three calendar quarters of a year plus the fourth quarter of the preceding year to represent the state's fiscal year. A biennium is the sum of two fiscal years. The historical record of the rate of growth in Texas personal income for the past sixteen completed biennia using the most recent data published by the U.S. Department of Commerce is shown in Table 2.

Forecasting Texas Personal Income

In reviewing standard statistical techniques for forecasting or projecting Texas personal income, the Legislative Budget Board has obtained the latest economic forecasts from the following sources listed alphabetically: (1) IHS Global Insight, (2) Moody's Economy.com, (3) Perryman Group, and (4) University of North Texas Center for Economic Development & Research. These forecasts are based on econometric models developed and maintained by the forecasting services listed.

The Texas Comptroller of Public Accounts is currently completing a new forecast of Texas personal income. This forecast, which will be available prior to the Legislative Budget Board's November 14, 2008 hearing, will take into account the most recent changes in the national and state economies.

While each forecasting service brings its own approach to the development of economic projections, there are several characteristics common to the econometric models from which the Texas total personal income estimates are derived. First, each assumes that the U.S. economy is the driving force behind Texas economic activity. As a result, forecasts of U.S. economic variables are needed to drive each model. Secondly, each of the econometric models is structural in nature, representing certain assumptions about the structure of the Texas economy, consistent with economic theory. Structural models normally entail detailed modeling of key sectors of the state's economy, followed by statistical testing to establish

relationships with other sectors of the economy. Previous memoranda published on the constitutional limit include more detailed discussion of the forecasting methods used. See the following issues of the *Texas Register*: 5 *TexReg* 4272, 7 *TexReg* 3727, 9 *TexReg* 5219, 11 *TexReg* 4590, 13 *TexReg* 4599, 15 *TexReg* 6876, 17 *TexReg* 7702, 19 *TexReg* 9053, 21 *TexReg* 10919, 23 *TexReg* 11472, 25 *TexReg* 11735, 27 *TexReg* 10977, and 29 *TexReg* 10612, and 31 *TexReg* 9641.

Table 3 details the Texas personal income growth rates of the various forecasting services for the 2010-11 biennium over the 2008-09 biennium. These forecasts range from 1.0774 or 7.74 percent to 1.1482 or 14.82 percent.

Table 4 briefly outlines the sources and dates for the Texas personal income growth rates presented in Table 3.

The personal income growth rates shown in Table 3, or any more recent forecasts, will be presented to the Legislative Budget Board for its consideration in adopting this item of information. The Board is not limited to one or any combination of the growth rates shown in adopting a Texas personal income growth rate for the 2010-11 biennium.

Appropriations from State Tax Revenue Not Dedicated by the Constitution - 2008-09 Biennium

The amount of appropriations from state tax revenue not dedicated by the Constitution in the 2008-09 biennium, the base biennium, is the second item of information to be determined by the Legislative Budget Board. As of October 29, 2008 the staff estimates this amount to be \$72,992,740,945. This item multiplied by the estimated rate of growth of Texas personal income from the 2008-09 biennium to the 2010-11 biennium produces the limitation on appropriations for the 2010-11 biennium under Article VIII, Section 22, of the Texas Constitution.

Calculating the 2010-11 Limitation

The limitation on appropriations of state tax revenue not dedicated by the State Constitution in the 2010-11 biennium may be illustrated by selecting a growth rate and applying it to the 2008-09 appropriations base. This is shown in Table 5, using the lowest and highest growth rates shown in Table 3. Depending on which personal income growth rate is adopted, current estimates suggest a limitation on 2010-11 biennial appropriations from tax revenue not dedicated by the Constitution ranging from \$78.6 billion to \$83.8 billion.

Method of Calculating the 2008-09 Appropriations from State Tax Revenue Not Dedicated by the Constitution

As stated above, LBB staff estimates the amount of appropriations from state tax revenue not dedicated by the Constitution in the 2008-09 biennium to be \$72,992,740,945. This section details the sources of information used in this calculation.

Total appropriations for the 2008-09 biennium include those made by the in Eightieth Legislature in House Bill 1 (General Appropriations Act), House Bill 2 (Property Tax Relief), House Bill 15 (Supplemental Appropriations), and Senate Bill 1719 (Miscellaneous Claims). Any subsequent appropriations made by the Eighty-first Legislature for the 2008-09 biennium would also be included in total appropriations.

Section I of Table 6 shows for general revenue related funds the total amount of appropriations, the amount financed from constitutionally dedicated tax revenue, from non-tax revenue and the remainder--the amount financed from tax revenue not dedicated by the Constitution--which is the amount subject to the limitation. General revenue related funds include the General Revenue Fund as well as the Available School Fund, State Textbook Fund and Foundation School Fund.

I. General Revenue Related Funds

A. Appropriations are classified in this table as the following: (1) "estimated to be" line item appropriations, and (2) all other line item appropriations.

1. "Estimated to Be" Line Item Appropriations:

Each of these items under the subheading "estimated to be" may change under certain circumstances. For purposes of this calculation, most fiscal year 2008 amounts are based on actual 2008 expenditures. Amounts for fiscal year 2009 are taken from House Bill 1, Eightieth Legislature.

2. All Other Line Item Appropriations:

As calculated in Table 7, the amount shown for "All Other Line Items" is the difference between total appropriations and the items listed separately as "estimated to be appropriations." General revenue related appropriations in Table 7 are from House Bill 1, Eightieth Legislature. Appropriation figures have been adjusted to incorporate certain Article IX appropriations, as well as Governor's vetoes, House Bill 2, House Bill 15, and Senate Bill 1719.

B. Source of Funding - General Revenue Related: Table 6, Part B shows that of the \$80,813,996,706 of general revenue related fund appropriations, \$66,020,055,889 is subject to the limitation because it is financed from state tax revenue not dedicated by the Constitution.

Constitutionally dedicated state tax revenues deposited into general revenue related funds are estimated to total \$4,170,981,368 during the 2008-09 biennium. Appropriations from general revenue related funds financed from non-tax revenue are estimated at \$10,622,959,449 for the 2008-09 biennium.

II. Appropriations from Funds Outside of General Revenue

The state imposes a sales and use tax on boats and boat motors, of which 95 percent is deposited into the General Revenue Fund and the remaining five percent is deposited into Account 0009 - Game, Fish and Water Safety. The state imposes an insurance companies maintenance tax deposited into Account 0036 - Texas Department of Insurance Operating.

A portion of the motor vehicles sales tax, franchise tax and cigarette tax is deposited into Account 0304 - Property Tax Relief. The state also taxes the sale of fireworks, a portion of which is deposited into Account 5066 - Rural Volunteer Fire Department Insurance. In addition, part of the sales tax and a motor vehicles sales tax is deposited into Account 5071 - Emissions Reduction Plan.

Appropriations from tax revenue not dedicated by the Constitution in these accounts are included in this calculation. The appropriations and revenues are based on actual 2008 and estimated 2009 data.

Grand Total

A grand total of \$88,562,937,355 in 2008-09 biennial appropriations is included in this analysis. Of this amount, \$4,170,981,368 is financed out of taxes dedicated by the State Constitution. Another \$11,399,215,041 is financed out of non-tax revenue. The remaining \$72,992,740,945 is financed out of tax revenue not dedicated by the State Constitution. This amount serves as a base for calculating the limitation on 2010-11 biennial appropriations from tax revenue not dedicated by the Constitution, as required by Article VIII, Section 22, of the Texas Constitution.

TABLE 1
U.S. DEPARTMENT OF COMMERCE PERSONAL
INCOME ACCOUNT FOR TEXAS, CALENDAR YEAR 2007
 In Millions of Current Dollars

Earnings by Place of Work	Amount	Percent of Total
Wage and Salary Disbursements	\$482,754	66.5%
Supplements to Wages and Salaries	106,442	14.7%
Proprietors' Income		
Farm	\$1,540	
Nonfarm	<u>135,378</u>	
Subtotal	<u>136,918</u>	<u>18.9%</u>
Total Earnings by Place of Work	\$726,114	100.0%
 Derivation of Total Personal Income		
Earnings by Place of Work (from above)	\$726,114	
Less: Personal Contribution for Social Insurance	\$36,817	
Plus: Adjustment for Residence	<u>(2,055)</u>	
Equals: Net Earnings by Place of Residence	\$687,243	74.9%
Plus: Dividends, Interest and Rent	118,402	12.9%
Plus: Personal Current Transfer Receipts	<u>112,370</u>	<u>12.2%</u>
Total Personal Income	\$918,014	100.0%

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2008.

TABLE 2
BIENNIUM-TO-BIENNIUMGROWTH RATES IN TEXAS PERSONAL INCOME
1976-77 TO 2006-07 BIENNIA

Base Biennium	Target Biennium	Growth Rate	Percent Increase
1974-75	1976-77	1.282	28.2
1976-77	1978-79	1.308	30.8
1978-79	1980-81	1.349	34.9
1980-81	1982-83	1.252	25.2
1982-83	1984-85	1.180	18.0
1984-85	1986-87	1.078	7.8
1986-87	1988-89	1.100	10.0
1988-89	1990-91	1.150	15.0
1990-91	1992-93	1.133	13.3
1992-93	1994-95	1.123	12.3
1994-95	1996-97	1.149	14.9
1996-97	1998-99	1.174	17.4
1998-99	2000-01	1.164	16.4
2000-01	2002-03	1.057	5.7
2002-03	2004-05	1.124	12.4
2004-05	2006-07		

TABLE 3
ESTIMATED GROWTH RATES FOR TEXAS PERSONAL INCOME
USING FIVE ECONOMETRIC MODELS
2008-09 BIENNIUM TO 2010-11 BIENNIUM

Source of Forecast	2010-11 Texas Personal Income Growth Rate
1. IHS Global Insight	1.1084
2. Moody's Economy.com	1.1092
3. Perryman Group	1.1482
4. Texas Comptroller of Public Accounts'	
5. University of North Texas Center for Economic Development & Research	1.0774

* The Texas Comptroller of Public Accounts is currently completing a new forecast of Texas personal income. This forecast, which will be available prior to the Legislative Budget Board's November 14, 2008 hearing, will take into account the most recent changes in the national and state economies.

Note: The growth rates shown above can be interpreted in percentage terms. For example, the growth rate of 1.1084 for the **IHS** Global Insight forecast of Texas personal income indicates estimated personal income growth of 10.84 percent for the 2010-11 biennium.

TABLE 4
SUMMARY OF SOURCES AND METHODS FOR
TEXAS PERSONAL INCOME GROWTH RATES FOR THE
2010-11 BIENNIUM

Source of Forecast	Type of Forecast	Date of Forecast
1. IHS Global Insight	Econometric	October 2008
2. Moody's Economy.com	Econometric	October 2008
3. Perryman Group	Econometric	October 2008
4. Texas Comptroller of Public Accounts*	Econometric	
5. University of North Texas Center for Economic Development & Research	Econometric	October 2008

* The Texas Comptroller of Public Accounts is currently completing a new forecast of Texas personal income. This forecast, which will be available prior to the Legislative Budget Board's November 14, 2008 hearing, will take into account the most recent changes in the national and state economies.

Source: Compiled by the Legislative Budget Board, October 2008.

TABLE 5
TWO ILLUSTRATIONS OF A POSSIBLE
LIMIT ON 2010-11 BIENNIUM APPROPRIATIONS
OF STATE TAX REVENUE NOT DEDICATED BY
THE TEXAS CONSTITUTION
In Millions of Dollars

1. 2008-09 Base	\$ 72,992.7	\$ 72,992.7
2. Illustrative Growth Rates	<u>X 1.0774</u>	<u>X 1.1482</u>
3. 2010-11 Limitation on Growth in Appropriations	<u>\$ 78,642.3</u>	<u>\$ 83,810.2</u>

TABLE 6
2008-09 BIENNIAL APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

1 General Revenue Related Funds	2008 Expenditures1
A. Appropriations	2009 Appropriations
1. "Estimated To Be" Line Item Appropriations in General Appropriations Act, 80th Legislature	
(a) Fiscal Programs - Comptroller of Public Accounts	\$ 1,282,488
A.1.1. Strategy: Voter Registration	
(b) Fiscal Programs - Comptroller of Public Accounts	4,720,346
A.1.2. Strategy: Miscellaneous Claims	
(c) Fiscal Programs - Comptroller of Public Accounts	239,503,638
A.1.4. Reimbursement - Beverage Tax	
(d) Fiscal Programs - Comptroller of Public Accounts	4,635,522
A.1.6. County Taxes - University Lands	
(e) Fiscal Programs - Comptroller of Public Accounts	225,804,408
A.1.8. Unclaimed Property	
(f) Funds Appropriated to the Comptroller for Social Security and BRP	948,356,914
A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion)	
(g) Employees Retirement System	1,798,778,450
A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion)	
(h) Department of State Health Services	4,720,809
Vendor Drug Rebates—Public Health	
(i) Department of State Health Services	1,475,044
D.1.6. Strategy: Texasonline	
(j) Health and Human Services	15,462,754
Medicaid Program Income	
(k) Health and Human Services	448,118,605
Vendor Drug Rebates—Medicaid	
(l) Health and Human Services	7,995,415
Cost Sharing - Medicaid Clients	
(m) Health and Human Services	79,158,220
Vendor Drug Rebates-Supplemental Rebates	
(n) Health and Human Services	11,509,237
Premium Co-Payments, Low Income Children	
(o) Health and Human Services	5,500,551
Experience Rebates-CHIP	
(p) Health and Human Services	6,927,878
Vendor Drug Rebates-CHIP	
(q) Texas Education Agency	21,985,283
B.3.6. Strategy: Certification Exam Administration	

TABLE 6
 2008-09 BIENNIAL APPROPRIATIONS
 INCLUDED IN THE CALCULATION OF
 THE LIMITATION BASE

(r)	School For The Blind And Visually Impaired C.1.1. Strategy: Educ Prof Salary Increases	495,318
(s)	School For The Deaf C.1.1. Strategy: Educ Prof Salary Increases	546,574
(t)	Teacher Retirement System A.1.1. Strategy: TRS - Public Education - (GR Portion)	2,435,245,118
(u)	Teacher Retirement System A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion)	493,637,068
(v)	Teacher Retirement System A.2.1. Strategy: Retiree Health - Statutory Funds (GR Portion)	470,689,658
(w)	Optional Retirement Program A.1.1. Strategy: Optional Retirement Program (GR Portion)	246,026,283
(x)	Office Of Court Administration, Texas Judicial Council C.1.2. Strategy: Texasonline	24,976
(y)	Judiciary Section, Comptroller's Department A: Goal - D: Goal (GR Portion)	84,883,122
(z)	Department Of Public Safety E.4.1. Strategy: Texasonline	615,384
(aa)	Department Of Housing And Community Affairs E.1.4. Strategy: Texasonline	21,930
(ab)	Texas Lottery Commission A.1.6. Strategy: Lottery Operator Contract	203,288,687
(ac)	Texas Lottery Commission B.1.5. Strategy: Bingo Prize Fee Allocations	24,645,508
(ad)	Board Of Chiropractic Examiners A.1.2. Strategy: Texasonline	59,107
(ae)	Texas State Board Of Dental Examiners A.2.2. Strategy: Texasonline	377,654
(af)	Funeral Service Commission A.1.2. Strategy: Texasonline	77,545
(ag)	Board Of Professional Geoscientists A.1.2. Strategy: Texasonline	50,100
(ah)	Department Of Insurance A.2.4. Strategy: Texasonline	386,054
(ai)	Board Of Professional Land Surveying A.1.3. Strategy: Examination	20,390
(aj)	Board Of Professional Land Surveying A.1.4. Strategy: Texasonline	27,430

TABLE 6
2008-09 BIENNIAL APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

(ak)	Department Of Licensing And Regulation	731,395
	A.1.5. Strategy: Texasonline	
(al)	Texas Medical Board	660,381
	A.1.2. Strategy: Texasonline	
(am)	Texas Board of Nursing	716,163
	A.1.2. Strategy: Texasonline	
(an)	Optometry Board	33,735
	A.1.2. Strategy: Texasonline	
(ao)	Board Of Pharmacy	400,614
	A.1.2. Strategy: Texasonline	
(ap)	Executive Council Of Physical Therapy & Occupational Therapy Examiners	258,838
	A.1.2. Strategy: Texasonline	
(aq)	Board Of Plumbing Examiners	301,707
	A.1.2. Strategy: Texasonline	
(ar)	Board Of Podiatric Medical Examiners	8,665
	A.1.2. Strategy: Texasonline	
(as)	Board Of Examiners Of Psychologists	59,011
	A.1.2. Strategy: Texasonline	
(at)	Racing Commission	23,250
	B.1.2. Strategy: Texasonline	
(au)	Real Estate Commission	672,201
	A.1.2. Strategy: Texasonline	
(av)	Residential Construction Commission	581,133
	A.1.2. Strategy: Texasonline	
(aw)	Residential Construction Commission	463,600
	B.1.3. Strategy: Third-Party Inspections	
(ax)	Department of Savings and Mortgage Lending	110,347
	B.1.4. Strategy: Texasonline	
(ay)	Board Of Tax Professional Examiners	16,250
	A.1.2. Strategy: Texasonline	
(az)	Board Of Veterinary Medical Examiners	66,035
	A.1.2. Strategy: Texasonline	
(ba)	Multiple Agencies: Earned Federal Funds	110,401,157
	Sec. 6.26. Definition, Appropriation, Reporting and Audit of Earned Federal Funds	
(bb)	Adjustment for Texas Education Agency Attendance Credit Revenue	(87,800,000)
(bc)	Adjustment for Property Tax Relief Fund Revenue	988,216,821
	Subtotal, "Estimated to Be"	<u>\$8,802,974,771</u>

TABLE 6
2008-09 BIENNIAL APPROPRIATIONS
INCLUDED IN THE CALCULATION OF
THE LIMITATION BASE

2 All Other Line Items				<u>\$72,011,021,935</u>
TOTAL (General Revenue Related Fund Appropriations)				<u>\$80,813,996,706</u>
	<u>Total</u>	<u>Constitutionally</u>	<u>Non Tax</u>	<u>State Tax</u>
	<u>Appropriations</u>	<u>Dedicated State</u>	<u>Revenues</u>	<u>Revenue Not</u>
		<u>Tax Revenues</u>		<u>Dedicated by the</u>
				<u>Constitution</u>
B. Source of Funding - General Revenue Related				
1. Occupation Taxes	\$2,559,358,884	\$2,559,358,884	\$0	\$0
2. Motor Fuel Taxes	1,643,866,008	1,611,622,484		32,243,524
3. Education Revenues	3,463,999,262		3,463,999,262	
4. Insurance Maintenance Tax	224,074,409			224,074,409
5. Hotel Tax	62,022,394			62,022,394
6. Sporting Good Sales Tax	111,815,120			111,815,120
7. Beginning General Revenue Balance	2,552,771,242		784,230,438	1,768,540,804
8. Appropriations from Other Revenue	70,196,089,387		6,374,729,749	63,821,359,638
 SUBTOTAL (General Revenue Related)	 <u>\$80,813,996,706</u>	 <u>\$4,170,981,368</u>	 <u>\$10,622,959,449</u>	 <u>\$66,020,055,889</u>
 II. Appropriations from Funds Outside of GR				
1. Account 0009 – Game, Fish, and Water Safety	\$ 183,285,853		\$ 180,227,734	\$ 3,058,119
2. Account 0036 – Texas Department of Insurance Operating	134,664,049		132,273,688	2,390,361
3. Account 0304 – Property Tax Relief	7,089,741,179		226,609,742	6,863,131,437
4. Account 5066 – Rural Volunteer Fire Department Insurance	1,500,000		850	1,499,150
5. Account 5071 – Emissions Reduction Plan	<u>339,749,568</u>		<u>237,143,579</u>	<u>102,605,989</u>
 GRAND TOTAL	 <u>\$88,562,937,355</u>	 <u>\$4,170,981,368</u>	 <u>\$11,399,215,041</u>	 <u>\$72,992,740,945</u>

TABLE 7
CALCULATION OF "ALL OTHER LINE ITEMS"
FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009 Biennium</u>
General Revenue Funds "Recap" Amount	\$40,033,437,588	\$39,918,100,562	\$79,951,538,150
Less "Estimated to Be" Items:			
Fiscal Programs * Comptroller of Public Accounts A.1.1. Strategy: Voter Registration (HB1, Article I-22)	5,000,000	1,000,000	6,000,000
Fiscal Programs * Comptroller of Public Accounts A.1.2. Strategy: Miscellaneous Claims (HB1, Article I-22)	1,770,000	1,770,000	3,540,000
Fiscal Programs * Comptroller of Public Accounts A.1.4. Reimbursement - Beverage Tax (HB1, Article I-22)	114,442,000	117,876,000	232,318,000
Fiscal Programs * Comptroller of Public Accounts A.1.6. County Taxes - University Lands (HB1, Article I-22)	2,565,016	2,689,178	5,254,194
Fiscal Programs * Comptroller of Public Accounts A.1.8. Unclaimed Property (HB1, Article I-22)	90,000,000	95,000,000	185,000,000
Funds Appropriated to the Comptroller for Social Security and BRP A.1.1. Strategy: State Match - Employer (GR Portion) & A.1.2 Benefit Replacement Pay (GR Portion) (HB1, Article I-27)	471,463,274	482,660,710	954,123,984
Employees Retirement System A. Goal: Administer Retirement Program (GR Portion) & B. Goal: Provide Health Program (GR Portion) (HB1, Article I-31)	916,776,114	943,574,640	1,860,350,754
Department of State Health Services Vendor Drug Rebates—Public Health (Rev Code 3640) (HB1, Article II-41)	1,393,000	1,393,000	2,786,000
Department of State Health Services D.1.6. Strategy: Texasonline (HB1, Article II-43)	1,049,240	1,049,240	2,098,480

TABLE 7
CALCULATION OF "ALL OTHER LINE ITEMS"
FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009</u> <u>Biennium</u>
Health and Human Services Medicaid Program Income (HB1 , Article II-68)	2,897,025	2,897,025	5,794,050
Health and Human Services Vendor Drug Rebates—Medicaid (HB1 , Article II-68)	212,237,307	209,761,151	421,998,458
Health and Human Services Cost Sharing - Medicaid Clients (HB1 , Article II-68)	6,297,487	7,972,186	14,269,673
Health and Human Services Vendor Drug Rebates-Supplemental Rebates (HB31 , Article II-68)	39,687,046	37,428,049	77,115,095
Health and Human Services Premium Co-Payments, Low Income Children (HB1 , Article II-68)	7,355,310	7,540,965	14,896,275
Health and Human Services Experience Rebates-CHIP (HB1 , Article II-68)	2,028,952	2,132,980	4,161,932
Health and Human Services Vendor Drug Rebates-CHIP (HB1 , Article II-68)	2,578,299	2,710,665	5,288,964
Texas Education Agency B.3.6. Strategy: Certification Exam Administration (HB31 , Article III-3)	11,062,000	11,135,000	22,197,000
School For The Blind And Visually Impaired C.1.1. Strategy: Educ Prof Salary Increases (HB1 , Article III-25)	153,037	310,664	463,701
School For The Deaf C.1.1. Strategy: Educ Prof Salary Increases (HB1 , Article III-29)	155,798	316,270	472,068
Teacher Retirement System A.1.1. Strategy: TRS - Public Education - (GR Portion) (HB31 , Article III-33)	1,189,470,352	1,237,006,522	2,426,476,874

TABLE 7
CALCULATION OF "ALL OTHER LINE ITEMS"
FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009</u> <u>Biennium</u>
Teacher Retirement System A.1.2. Strategy: TRS - Higher Education Retirement (GR Portion) (HB1, Article III-33)	274,683,675	284,291,225	558,974,900
Teacher Retirement System A.2.1. Strategy: Retiree Health - Statutory Funds (GR Portion) (HB1, Article III-33)	220,594,269	231,675,389	452,269,658
Optional Retirement Program A.1.1. Strategy: Optional Retirement Program (GR Portion) (HB1, Article III-36)	121,564,539	126,427,120	247,991,659
Office Of Court Administration, Texas Judicial Council C.1.2. Strategy: Texasonline (HB1, Article IV-23)	10,488	13,576	24,064
Judiciary Section, Comptroller's Department A: Goal - D: Goal (GR Portion) (HB1, Article IV-31)	48,020,552	48,074,972	96,095,524
Department Of Public Safety E.4.1. Strategy: Texasonline (HB1, Article V-47)	290,000	290,000	580,000
Department Of Housing And Community Affairs E.1.4. Strategy: Texasonline (HB1, Article VII-2)	19,120	19,120	38,240
Texas Lottery Commission A.1.6. Strategy: Lottery Operator Contract (HB1, Article VII-8)	106,232,562	108,111,611	214,344,173
Texas Lottery Commission B.1.5. Strategy: Bingo Prize Fee Allocations (HB1, Article VII-8)	12,500,500	12,771,000	25,271,500
Board Of Chiropractic Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-9)	29,850	29,850	59,700

TABLE 7
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FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009</u> <u>Biennium</u>
Texas State Board Of Dental Examiners A.2.2. Strategy: Texasonline (HB1, Article VIII-17)	184,629	184,629	369,258
Funeral Service Commission A.1.2. Strategy: Texasonline (HB1, Article VIII-18)	39,000	39,000	78,000
Board Of Professional Geoscientists A.1.2. Strategy: Texasonline (HB1, Article VIII-20)	30,000	30,000	60,000
Department Of Insurance A.2.4. Strategy: Texasonline (HB1, Article VIII-26)	380,000	380,000	760,000
Board Of Professional Land Surveying A.1.3. Strategy: Examination (HB1, Article VIII-35)	8,180	8,180	16,360
Board Of Professional Land Surveying A.1.4. Strategy: Texasonline (HB1, Article VIII-35)	14,000	14,000	28,000
Department Of Licensing And Regulation A.1.5. Strategy: Texasonline (HB1, Article VIII-37)	331,200	331,200	662,400
Texas Medical Board A.1.2. Strategy: Texasonline (HB1, Article VIII-42)	316,841	316,841	633,682
Texas Board of Nursing A.1.2. Strategy: Texasonline (HB1, Article VIII-46)	325,000	325,000	650,000
Optometry Board A.1.2. Strategy: Texasonline (HB1, Article VIII-49)	16,400	16,400	32,800
Board Of Pharmacy A.1.2. Strategy: Texasonline (HB1, Article VIII-52)	209,480	212,610	422,090

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FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009</u> <u>Biennium</u>
Executive Council Of Physical Therapy & Occupational Therapy Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-54)	124,675	124,675	249,350
Board Of Plumbing Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-56)	155,000	155,000	310,000
Board Of Podiatric Medical Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-58)	4,130	4,130	8,260
Board Of Examiners Of Psychologists A.1.2. Strategy: Texasonline (HB1, Article VIII-59)	30,000	30,000	60,000
Racing Commission B.1.2. Strategy: Texasonline (HB1, Article VIII-61)	23,250	23,250	46,500
Real Estate Commission A.1.2. Strategy: Texasonline (HB1, Article VIII-66)	322,000	322,000	644,000
Residential Construction Commission A.1.2. Strategy: Texasonline (HB1, Article VIII-69)	315,000	315,000	630,000
Residential Construction Commission B.1.3. Strategy: Third-Party Inspections (HB1, Article VIII-69)	100,000	100,000	200,000
Department of Savings and Mortgage Lending B.1.4. Strategy: Texasonline (HB1, Article VIII-72)	67,867	67,868	135,735
Board Of Tax Professional Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-78)	16,250	16,250	32,500
Board Of Veterinary Medical Examiners A.1.2. Strategy: Texasonline (HB1, Article VIII-85)	33,650	33,650	67,300

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 FOR THE 2008-09 BIENNIUM

	<u>2008</u>	<u>2009</u>	<u>2008-2009 Biennium</u>
Multiple Agencies: Earned Federal Funds	47,203,701	46,961,359	94,165,060
Sec. 6.26. Definition, Appropriation, Reporting and Audit of Earned Federal Funds (HB1, Article IX-32)			
Subtotal, Line Items Shown Separately	<u>\$3,912,577,065</u>	<u>\$4,027,939,150</u>	<u>\$7,940,516,215</u>
Total Other Line Items	<u>\$36,120,860,523</u>	<u>\$35,890,161,412</u>	<u>\$72,011,021,935</u>